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Berisha, Rugova Welcome Efforts on Kosovo

AU0906194194 Tirana TVSH Television Network in Albanian 1800 GMT 9 Jun 94

[Text] President Sali Berisha received Kosovar President Ibrahim Rugova today. Both presidents discussed extensively the development of democratic reforms in Albania, problems related to the Albanian question, and the situation in the region. They considered important both for Albania and the region the last efforts of the Albanian Government to develop and strengthen regional cooperation and friendship with regional countries, such as Turkey, Bulgaria, Romania, Hungary, Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], the European Union countries, other European countries, and so forth.

Presidents Berisha and Rugova assessed as successful and important the visits and meetings of President Rugova in the North Atlantic Assembly, where the grave situation in Kosova and the possibilities of resolving this problem were addressed. The assembly meeting provided extensive support to the policy of Albanians in Kosova and their civil resistance against the Serbian occupation.

They also assessed as very important the visits and recent meetings of President Rugova with high-level government members and other officials in Denmark, Norway, France, and Germany. All these meetings revealed a great concern on the part of these countries regarding the violation of freedoms and national rights of the Albanians in Kosova and their determination to seriously contribute to resolving the Kosova question.

Both presidents assessed positively the serious efforts of the international community to establish a dialogue between Prishtina and Belgrade in the presence of a third party on the reestablishment and functioning of democratic institutions and the solution of Kosova's political status. They welcomed the efforts and indications that encourage the start of a dialogue.

Both presidents considered that the cooperation between Albania and Macedonia is important for peace and stability in the south of the Balkans. They were also of the opinion that Macedonia's membership in the CSCE as a member with full rights not only serves this state but provides a real impetus to a further respect for freedoms and human and national rights of the Albanians in Macedonia, which is a condition for the stability of this republic.

They considered as a very important step the implementation of the census, which is in conformity with the standards and criteria of the law recommended by the group of experts and approved by the Macedonian Parliament.

Both presidents think that Albania's relations with Greece are important both for the two countries and the region and that there exist real possibilities to resolve the disagreements through dialogue. Albania respects and is committed to respecting the fundamental freedoms and rights of the Greek minority. These rights, alongside those of the Albanians, have been subject to deeply spectacular positive changes and they will be further expanded in the future.

Both presidents also stressed that the freeing of aid for the balance of payments and the continuation of aid for Albania by the European Union is of extraordinary importance for the progress of the reforms in Albania and its active role in preserving peace and stability in the region.

Leader Denies 'Party' Talks With Serbs

AU0906205894 Tirana TVSH Television Network in Albanian 1800 GMT 9 Jun 94

[Interview with Socialist Party Deputy Chairman Servet Pellumbi by Timo Luto in Tirana; date not given—recorded]

[Excerpt] [passage omitted] [Luto] A meeting organized by the Bulgarian Socialist Party was held in Sofia, in which a Socialist Party [PS] delegation took part. What was this meeting about and who were the participants from the Socialist Party?

[Pellumbi] Yes, I think this problem has been largely politicized by the mass media and has been presented as if a party meeting was held there between the PS representatives and representatives from the Serbian party. In fact, this was a scientific meeting where scholars from 13 countries participated. Two of our people took part: Luan Shahollari, a well-known economist, and Vasillaq Kureta, a philosopher and doctor of sciences who deals precisely with national and ethnic problems.

In the framework of this seminar, or rather scientific international meeting, these comrades met with all the participants of this conference. They met with the Serbian representatives, but it was not a meeting between the two parties. Our friends that were sent to Sofia had no status or mandate to hold party talks with representatives of the Serbian Socialist Party. That is why this was not a party meeting, but it was a meeting just like the meeting with all the participants in this conference, discussing well-known problems that the Balkans is facing.

As our friends have informed us, they presented to the Serbian representatives all our options on the national question and the Kosova issue by upholding the already well-known stances that the PS maintains but also predicted by other political forces, which are much or less the same. [passage omitted]

Further Reaction to Report Noted

AU0906211294 Tirana TVSH Television Network in Albanian 1800 GMT 9 Jun 94

[Text] [Announcer] Political parties and other Albanian organizations in the Republic of Kosova continue to react to the so-called secret Albanian-Serb talks in Belgrade held by some unauthorized individuals who do not enjoy the mandate of the Albanian people of Kosova. For more details, Mehmet Haziri reports from Prishtina:

[Haziri] At a news conference held by the Social Democratic Party of Kosova, its chairman, academician Besim Vokshi, declared before correspondents that, under these circumstances, it is very natural that secret or somewhat secret talks with two or three intellectuals of ours with the Serbian side can arouse curiousness, as well dissatisfaction and immediate revolt.

No one can represent the Albanian people if they do not have the legitimacy of the people. The selection for talks of these intellectuals by the Serbs is carried out due to the similar option they have regarding the solution of the status of Kosova, contrary to the referendum of the Albanian people, Besim Vokshi stressed.

He said that the Social Democratic Party of Kosova condemns the new wave of violence and imprisonments of the representatives of the legal institutions in Kosova, by assessing these actions as Serbia's attempts to stop the activity of the Albanian political parties and oblige Albanians to accept Serbia's option on the solution of the Kosova issue.

Through a press communique, the National Unity Party condemns the lunches and dinners, as it is said, with the enemies of the Albanian nation. After criticizing the anti-Albanian backstage of Belgrade and the architects of the anti-Albanian projects, the communique condemns the presentation of several junior vassals who are or have emerged from the Albanian political parties and who have no mandates and speak about restructuring the future of Kosova.

Albanian-Serb dialogue can be carried out only by those who have the legitimacy of the Albanian people in the Republic of Kosova, the press communique of the National Unity Party states.

Meanwhile, the Coordinating Council of the Albanian Christian Democratic Party considers that Albanian-Serb dialogue can begin only in the presence of an international body and legitimate representatives of the Albanian people can participate in it, i.e., President Ibrahim Rugova and his co-workers, who are appointed by him only, but not the non-legitimate persons.

The Coordinating Council of the Albanian Christian Democratic Party examined other issues of interest for institutionalizing life in Kosova.

Russian Influence on NATO Expansion Viewed

AU0906162694 Prague DENNI TELEGRAF in Czech 7 Jun 94 p 3

[Commentary by Vaclav Musilek: "A Stable Europe Without Russia Is Just an Illusion"]

[Text] The foreign ministers of the North Atlantic Alliance's member states must solve a complicated puzzle. How to link together as tightly as possible Russia and the Alliance by means of the Partnership for Peace project and, at the same time, not weaken NATO itself. The ministers' meeting, which begins on 9 June, will discuss Russia's proposals for mutual cooperation. Although the Russians, through Defense Minister Grachev, have expressed their agreement with the Partnership for Peace, they have also pointed to its limitedness, which consists merely of establishing partial military cooperation. They want to conclude a separate agreement with NATO that would enshrine cooperation among the military departments at the level of relations between partners with global options and responsibilities and also cooperation in conversion and peacekeeping operations. The most contentious proposal from Russia is for the introduction of mandatory consultations on all issues concerning European and world security. In other words, Russia would like to obtain the right of veto in all of the Alliance's decisions, which was immediately rejected by the defense ministers of the member countries.

That is to say, they are very much aware that, with the gravity of Russia's agreement, NATO would lose its status and capability for action and would become just another cumbersome CSCE-type structure. Accorlding to Russia, the CSCE should play the role of an organization that coordinates the activity of all of the European security formations. If we take a look at the CSCE's results in the security sphere, it would seem that the Russians cannot mean such a proposal seriously. With a more detailed perusal of all of the pressures that affect the decisionmaking processes there, the impartial observer has to come to the conclusion that absolutely everything is possible. Fortunately, this does not apply to the West; so, although the Alliance currently lacks more explicit U.S. leadership, it is virtually out of the question that the foreign ministers will express themselves in favor of Moscow's proposals. However, whether we like it or not, Russia cannot be treated the same way as the Czech Republic or Poland. Russia's geographical area, the size of its population, and its widespread nuclear and other arms potential entitle NATO to adopt a special approach; of course, it is desirable for both the functioning of its structures and its relations with the states of Central Europe that this specific Russian feature is taken into consideration under the conditions and arrangements within the Partnership and not outside it.

In Istanbul, the NATO foreign ministers should weigh all the aspects very carefully and knit together a special doctrine for building stability not against Russia but with it, a doctrine eliminating the dangers arising from Russian power-wielding whims. The atmosphere of the subsequent negotiations between the Alliance's ministers and the individual Central European "partners for peace" will be determined by the outcome of the talks on the Russian proposals. It is mainly the Czech Republic and Poland, countries that are among the most serious contenders for membership and justifiably seek NATO protection against the threat from the East, that are extraordinarily sensitive to any sign of increased Russian influence in this region. In our country, this is felt even more by the citizens than by the politicians. "What we are mainly interested in is ensuring that closer ties between Russia and the Alliance do not mean even a hint of any division of spheres of influence," emphasized Jozef Zieleniec, in reaction to Moscow's demands regarding NATO. The idea of any kind of direct influence being brought to bear on our incorporation into West European structures and NATO, first and foremost, by the Russian side is unacceptable for our security.

The former Soviet satellites in Central Europe will have enough difficulties in convincing the individual NATO members about their contribution and gaining the unanimous agreement required for admission by Article 10 of the basic document—that is, of the North Atlantic Treaty. If I write about the inadmissibility of direct influence being brought to bear on the admission of the Czech Republic and other states into NATO, I do so with the knowledge that the situation in Russia is indirectly influencing this act in any case. It is slightly paradoxical that the hopes of Central Europe for entry into the Alliance are indirectly proportionate to the internal developments on the Russian political scene. The current "enlightened" government of President Yeltsin and Prime Minister Chernomyrdin, together with the substantial majority support for the reform course on the part of the population, is forcing NATO to adopt a cautious approach toward the contenders for membership so that the domestic position of the current Moscow leadership is not complicated.

The feeling of danger to postcommunist Europe would be increased along with a possible rise in the influence of the antidemocratically oriented forces, and a new onslaught of ever latent Russian imperialism and NATO could not, in its own interest, ignore the much more emphatic hammering on its front door. No one wants such development to the west of Russia. The basis for genuine European stability is, at this stage, to seek a suitable partnership with Russia with a view to its involvement in all important structures, including NATO, and that only at a later date, as opposed to the states of Central Europe. Without faith in the future definitive transformation of the "evil empire" into a civilized democracy, we would have to turn to completely different models for the security arrangement in Europe.

Kovac on Improved Image of Slovakia Abroad

LD0906193694 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1630 GMT 9 Jun 94

[Excerpts] Slovak President Michal Kovac visited Slovak Radio today. He replied to questions by almost 100 journalists from Slovak Radio and other domestic and foreign media. [passage omitted]

Kovac briefed them about the international position of Slovakia and steps being taken to strengthen it. [passage omitted]

During his visit, the president gave a more extensive interview to the program "Afternoon on the Radio." We have excerpted the following passages:

[Begin Kovac recording] In the last period, I would say within the past four to five weeks, I have really had many meetings. I received positive news during almost all of them, at last some positive news about Slovakia, positive news about the fact that the government is succeeding on the home front in consolidating the political situation, in stabilizing it—but most of all, that the government has succeeded in awakening the necessary trust abroad.

Of course, I was interested in finding out why this did not happen earlier—what the reasons were for our image not developing positively and why representatives of individual states were ignoring Slovakia when talking on various occasion about possible incorporation into the West European structures. Regrettably—and this was for me a very unpleasant discovery that I have to bring into the open—this was mostly connected with the persona of the [former] prime minister rather than with the overall activity of the [former] government.

At this point, it is not up to me to analyze the reasons for this state of affairs. I am only stating the fact, and I consider it necessary for the former prime minister himself to analyze, possibly together with others, the reasons for that situation. I think Slovakia cannot solve its problems without gaining the necessary trust in the East as well as in the West, in the United States, Canada, and elsewhere. Furthermore, I wish to say that the present government, which has succeeded in gaining a good reputation, should be aware that it has to go on fighting to keep it. It is not sufficient to gain trust for the time being. It is a matter that should continue because it may also easily disappear. I firmly believe that the individual ministers are aware of this and also that their activities abroad have contributed to the more positive image Slovakia has finally achieved. [end recording]

President Speaks on Relations With Hungary

LD0906221894 Budapest Kossuth Radio Network in Hungarian 2000 GMT 9 Jun 94

[Text] [Correspondent] Slovak President Michal Kovac will meet Hungarian President Arpad Goencz in New York on 21 June. Our Bratislava correspondent Ildiko Nagy reports:

[Nagy] Slovak Radio intends to set a precedent with the roundtable discussions that got under way today and where the participants are always invited journalists and a prominent personality. The guest on the first occasion was President of the Republic Michal Kovac, who replied to questions concerning Slovak domestic and foreign policies.

In answer to the Hungarian radio correspondent's question of what he would consider to be good relations with the new Hungarian state leadership, the Slovak president stated: On the basis of the statements heard so far, the future Hungarian Government will no doubt handle the nationality issue more realistically; many signs indicate that a solution can also be found to the matter of the Gabcikovo-Nagymaros water barrage, which burdens ties. He said he personally will strive to do everything in the interest of improving the two countries' relations because he knows how much other countries are watching this region and how much they want the Central European countries to become stabilizing factors. It is his conviction that the Hungarian side also sees it this way, said the Slovak president.

In answer to the question of the NEPSZABADSAG [Hungarian Socialist paper] correspondent of whether he would not like to open, jointly with Arpad Goencz, the border-crossing points that are in readiness, Michal Kovac replied that this had been planned earlier, with the intention of its being a gesture and of dissolving the tensions that existed at the time. Because at present it seems that, thanks to both sides, relations are becoming normal, the continuous settling of issues will be the task of the two governments and the individual ministries.

The presidential meeting could be the culmination of this, opined the head of Slovakia, who, on 21 June, when he accepts in New York the award for fostering good relations between neighbors, will meet Arpad Goencz, the other recipient of the award. Here the interstate agreement will also come up for discussion, opined Michal Kovac, who said he would be happy to come to Budapest to sign it.

MKDH on Unfulfilled Promise to Hungarians

AU0906162594 Bratislava SME in Slovak 7 Jun 94 pp 1-2

[Article by "bog, mh, rk": "Coalition Does Not Rule Out Another Debate on Signpost Law"]

[Excerpt] Bratislava—[passage omitted] Vojtech Bugar, chairman of the Hungarian Christian Democratic Movement [MKDH], said yesterday that he had informed the coalition parties about the view of ethnic Hungarian representatives that the coalition has not yet fulfilled its promise to set up an independent department for ethnic minorities' schools within the framework of the Ministry of Education and Science. "Not only has this not happened in the past three months, but last week we gained access to a ministry paper about the ministry's structure, which does not foresee such a department even in the future," Vojtech Bugar stressed. As transpired from Bugar's words, Prime

Minister Jozef Moravcik was not aware of this matter. The Hungarian parties will receive the coalition's explanation on 8 June.

Carnogursky Discusses Meciar, Elections

AU1006100094 Bratislava SLOVENSKA REPUBLIKA in Slovak 6 Jun 94 pp 6-7

[Interview with Jan Carnogursky, chairman of the Christian Democratic Movement, by Eva Zelenayova; place and date not given: "Leave Politics? No, I Do Not Think So"]

[Excerpts] [Zelenayova] It is often said, in connection with the Slovak political scene, that the problem is not so much the differences between the programs of the political entities as the incompatibility between their leaders. You have managed to overcome this obstacle with regard to Peter Weiss. Do you think this is also possible with regard to Vladimir Meciar?

[Carnogursky] I will begin with the past. I got to know Vladimir Meciar in 1990, when he was Slovak interior minister and I was federal deputy prime minister. We got on quite well, and some SLOVENSKA REPUBLIKA readers may recollect that two or three weeks before his first recall, in April 1991, Meciar said in SMENA that, of all of the deputy prime ministers in his government at that time, he got on best with me. When he was recalled, I extended the benefits arising from his office twofold. He was given a state apartment on Fr. Kral Street in Bratislava. However, after his recall, Meciar started to call for a general strike and, at Movement for a Democratic Slovakia [HZDS] meetings, he began to say that the Carnogursky family was enriching itself. In July 1992, Meciar sent us back into the past, and, even before this, in the fall of 1990, despite the coalition agreements with the then Public Against Violence [VPN] Movement, he forced our interior minister, Anton Andras, from the government. He persuaded the VPN to drive out the Christian Democratic Movement [KDH] from the government and tried to govern as a minority. And so on and so on. The problem with Meciar is that he does not stick to agreements, and, therefore, it is impossible to reach a reliable agreement with him on anything. That is the difference between him and Peter Weiss. If Vladimir Meciar were capable of guaranteeing that he would stick to the agreements he makes with other people, of course, it would be possible, as you say, to overcome the obstacle with regard to him, too. I am afraid that, for personal reasons, Meciar is incapable of this.

[Zelenayova] In politics, you can never say that something is impossible.

[Carnogursky] I am not stating this categorically, after all; it is just highly probable.

[Zelenayova] Part of Slovak society, at home and abroad, has grave reservations about you. You yourself, however, have been the cause of this—for example, by the statement: "I always put on the mask I need to put on," which can be interpreted in various ways. Your hesitation in issues concerning the independent Slovak state, the assessment of the recent past, and the approach to Andrej Hlinka is known. People abroad, in particular, or, rather, Slovaks abroad, find very hard to bear your assessment of the effect of the 250,000 Czechs in Slovakia after 1918 and your statement that "the fact that the Czechs had to leave Slovakia in the years 1938-39 is a black mark on Slovak history." They even consider this to be an indelible black mark on your character. Have you not contemplated leaving politics?

[Carnogursky] You have taken the quotation about the masks out of context, but let us deal with the statement about the Czechs. I used it as a rejoinder to a televised address by former Czech Prime Minister Petr Pithart, who expressed his regret about the Czechoslovakism that had manifested itself during the First Republic. With regard to the evacuation of the Czechs in the years 1938-39, it would perhaps be possible to cite various extenuating circumstances, consisting, for example, of the fact that, following the birth of the Czechoslovak Republic, the Czechs filled posts in Slovakia that, in fact, morally, politically, and socially belonged to Slovaks. The problem is that they were evacuated at a time when their country was under the immediate threat of occupation by the German Army, so Slovakia should have demonstrated its solidarity with the Czech lands. [passage omitted] Quite simply, Slovakia should not have done this at a time when the Czech lands were being occupied by the German Army. We have to realize that an arrogant attitude toward our neighbors does not strengthen Slovakia's defensive capability and does not serve its interests; it simply harms us.

[Zelenayova] Do you not even think it is necessary to defend ourselves against the arrogance of neighbors?

[Carnogursky] Defend ourselves yes, but expressing regret about something that we have done, something that has caused pain to others, is always a virtue.

[Zelenayova] I will return to my question. Have you not ever contemplated leaving politics?

[Carnogursky] I have not.

[Zelenayova] Judging by the public opinion polls and the envisaged preelection groupings of the left, the right, and the parties around the HZDS, what kind of development would you forecast after the elections?

[Carnogursky] Four months before the elections, I can only say that an HZDS election victory, one that would bring the HZDS to power, would place Slovakia in the kind of isolation it would be difficult to get out of.

[Zelenayova] Why do you think this?

[Carnogursky] Because of the HZDS's incompetent past and present policy and Meciar's tainted reputation, especially abroad.

[Zelenayova] Some correspondents depict the HZDS victory in 1992 as an apocalypse. However, the HZDS victory in 1992 heralded the nationalist orientation and led to the creation of the independent Slovak state. It could be said, then, that they are accusing the HZDS of breaking up the Federation. Do you also view the movement like this?

[Carnogursky] The HZDS victory in 1992 merely signaled a change of course in the nationalist issue, the speeding up of certain development in the sense that Slovak independence was achieved outside the framework of European integration. There is a difference.

[Zelenayova] Nevertheless, all of the European states that felt they had to become independent were established at this time.

[Carnogursky] Yes, you are right, but they are also experiencing the appropriate difficulties, which would not have happened if they had broken away within the process of European integration. [passage omitted]

[Zelenayova] The right has not yet reached an agreement on a joint course of action before the elections. The KDH is pushing its proposal for an open list of candidates. The Democratic Party [DS] and the Party of Entrepreneurs and Businessmen are, alternatively, pushing for an open coalition. Why is it unacceptable for the KDH to go into the elections along with the other nonleftist parties?

[Carnogursky] You mean in the form of a coalition bloc?

[Zelenayova] Yes.

[Carnogursky] According to the election law, an election bloc means an increase in the percentage of votes required for entry into parliament; however, merging parties at the level of a bloc has, until now, always meant a reduction in the preferential percentage compared with the original situation. For example, according to the public opinion polls, the DS had 2 percent, although each of the parties that had merged within it had, on their own, 2 and more percent. This certainly concerns the Democratic Union [DU] and, according to the May public opinion polls, which were conducted by the radio and also canvassed support for the election blocs, all of them, with the exception of the left—that is, the so-called national bloc and the so-called right-wing bloc—had less support than the total support for the parties participating independently. Therefore, I think our offer is simply better and, finally, that the issue also involves the fact that Slovakia needs clearly crystallized parties. At the moment, this applies to only the Party of the Democratic Left and the KDH.

[Zelenayova] Despite the fact that you are not a party?

[Carnogursky] We call ourselves a movement, but we are in fact a party. We cannot help it if other parties and movements have not yet crystallized themselves into any clear, shall we say, liberal form. [passage omitted]

[Zelenayova] A year ago, you said in reply to my question of why the KDH was seeking allies among the representatives of the Hungarian minority that you were holding talks with those with whom there are the most serious problems. We know, however, that, apart from ourselves, virtually no one in Europe admits that he has minority problems, although the minorities in Slovakia reap the benefit of above-standard rights. Do you not think that we ourselves are cultivating the minority problem and are doing so by our boundless accommodating attitude toward the Hungarian minority's political elite?

[Carnogursky] I have already responded to the first part of your question—we profess the values of Christianity, nation, and Europe. Two of these fundamental values also unite us with the Hungarians. These two values, at least, act as a bridge between the KDH and Hungarian politicians. Minority problems in Europe have led and are leading to tension and even wars. As I see the situation in Slovakia, whether on the basis of studying history or from my knowledge of the present, Slovakia need not fear Hungarian assimilation as long as it manages to preserve its political independence. We have the forces to do this. We can negotiate with the Hungarians on everything else, and, of course, we can also meet them halfway on the principle of mutuality, with the status of the Slovak minority in Hungary.

[Zelenayova] Or on reciprocity?

[Carnogursky] We can also call it that. [passage omitted]

[Zelenayova] The Sudeten German issue is important not only for the Czech Republic. It is an element of Europe's postwar arrangement, and opening it up may trigger a whole avalanche of problems. What is your view of this conflict? What do you think of it from the point of view of Slovak interests?

[Carnogursky] Fortunately, this issue is not a serious Slovak problem. The Germans living in Slovakia are called Carpathian Germans, and they also have a separate association from the Sudeten Germans in Germany. It is also fortunate for Slovakia that, after the war, there was no violence against Germans on its territory. This happened only during the uprising and after the end of the war, when a group of Carpathian Germans was returning from Germany to Slovakia and a large number of them were murdered at the station in Prerov. (SLOVENSKA REPUBLIKA has written about this tragedy—Editor.) This very much facilitates our current dialogue with the Germans and, in general, seeking and maintaining our place in Europe. I am digressing a little; for me, this is also proof of how it is desirable not to be arrogant toward minorities. In addition, the Germans in Slovakia have never formed a strong minority. Slovakia should not interfere in the dispute between the Czechs and the Sudeten Germans. I think that the Czechs are pursuing the wrong policy in that, at the moment, they are trying to disengage themselves from their eastern neighbors, from their eastern connection—from the Visegrad Four.

Poll: SDL-Led Coalition Leads

AU0906153594 Bratislava SME in Slovak 7 Jun 94 p 2

[Article by "r": "Chances of Possible Preelection Coalitions"]

[Text] Bratislava—The FOCUS agency conducted a representative public opinion survey from 9 to 23 May 1994, in which 2,018 respondents were asked: "There is now much talk about the formation of preelection coalitions. Will you please say whether you would vote for each of the following possible coalitions?"

Coalition	Yes	No	Do Not Know
Democratic Union [DU]-Christian Democratic Movement [KDH]-Democratic Party [DS]-National Democratic Party-[NDS]-Party of Entrepreneurs and Tradesmen [SZP]	23	65	12
Movement for a Democratic Slovakia [HZDS]-Slovak National Party [SNS]-Farmers Party	32	58	10
KDH-SZP	19	69	12
Party of Democratic Left [SDL]-Social Democratic Party in Slovakia [SDSS]-Green Party in Slovakia [SZ]-Farmers Movement	34	53	13
DS-KDH	17	71	11
Coexistence-Hungarian Christian Democratic Movement-Hungarian Civic Party	11	80	8
DU-DS	24	62	14
SDL-SDSS-Association of Workers of Slovakia	35	53	12
SZP-DS	20	66	14

The results of the survey reveal that Slovak citizens are ready, to a large degree, to accept possible or already existing preelection coalitions of political parties and movements. The voters base of each of the possible coalitions monitored is much wider than the simple sum of the votes that, according to the same survey, would be won by individual parties and movements making up the coalition.

Paper Issues Correction

AU1006143794 Bratislava SME in Slovak 8 Jun 94 p 2

[Unattributed report: "Correction"]

[Text] Yesterday, in the report on the survey conducted by the FOCUS agency, we published one incorrect piece of information. The Christian Democratic Movement [KDH]-Party of Entrepreneurs and Tradesmen [SZP] coalition was listed in third place, with 19 percent of affirmative replies to the question concerning its electability. In reality, the KDH-Democratic Party [DS]-SZP coalition was meant.

Kanis: Defense Capability Unaffected by Cuts

LD0906121194 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 9 Jun 94

[Interview with Defense Minister Pavol Kanis by correspondent Milan Velecky at the Turecky vrch military training area near Bratislava on 8 June—recorded]

[Excerpts] [Velecky] At your press conference, you said that Slovakia did not have the financial means even to maintain the kind of army allowed by international agreements. Couldn't this have a negative impact on the defense capability of our state?

[Kanis] Naturally, in the prevailing peaceful conditions, when there are prerequisites for stability based on peaceful coexistence, as well as for stability and security of individual countries, the demands on the numbers of servicemen are no longer the same as in the previous historical stage. Of course, just like any other army in the neighboring states, the Slovak Army has problems arising from the lack of financial resources. But even if we cut the numbers of servicemen, it will not affect the defense capability of our country because our neighbors are doing the same. Moreover, at the moment, the whole question is an open one. It is a public issue under international control, and therefore our defense is also ensured through checks on the effort made in this sphere by other states. We do not have to worry, therefore, that Slovakia's defense capability will be affected as a result of a reduction in the number of servicemen.

[Velecky] An amendment to the law on the state budget is being prepared, and it has been suggested that some of the resources alloted to the Army for this year should be cut. What preparations for this variant are you making?

[Kanis] It is true that the situation in education and the health service, in particular, is so serious that the government has to find the necessary financial resources to prevent the collapse of these two areas. [passage omitted]

Naturally, if my budget is cut, I would endeavor to make up for it somehow—for example, by importing spare parts or technology instead of repayments from the Russian Federation. A contract for $(?90) million has been prepared, and this should cover at least some of our needs.

At the same time, we have to make the Army more proactive in generating income of its own. One has to say quite openly, however, that the needs of the Army have not been properly taken into account for some years, and, therefore, it is now extremely important that next year's budget respect the needs of the defense capability of the Slovak Republic.

Ministers Disagree on Privatization

AU0906155294 Bratislava SME in Slovak 7 Jun 94 p 2

[Interview with Privatization Minister Milan Janicina by Ivan Stulajter; place and date not given: "One Has To Listen Even to Those Who View Things Differently!"]

[Excerpt] [passage omitted] [Stulajter] Judging from the debate at the recent general assembly of the Union of Industry, the greatest resistance to coupon privatization can be expected from those circles....

[Janicina] Mr. Borovsky, the new chairman of the Union of Industry, sent me a letter in which he insists that each privatization project be discussed with his organization. I do not know how they got this idea because the Union of Industry has no jurisdiction over these matters. In the same letter, Mr. Borovsky expressed the view that the ideal share of companies' property earmarked for coupon privatization would be 5-10 percent. Everything suggests that, like Economy Minister Peter Magvasi, he would recommend privatization by the management in most cases. I am not principally opposed to this, but there should be no payment in installments in such cases; the money must be put on the table. Even Deputy Prime Minister Brigita Schmognerova agrees with me on this point.

[Stulajter] Although at first glance this looks like a problem of the privatization concept and privatization techniques, it cannot be ruled out that, on the hidden plane, it is primarily a political problem.

[Janicina] This cannot be ruled out. For example, I have reservations about the term "tried-and-tested management" because what we are talking about are, to a smaller or greater degree, communist cadres who are trying to gain economic and, subsequently, also political power. On the other hand, there should be no generalization. I realize that there are factories that will fall on their face if their management leaves. When the management is competent and able to pay, it is a contender like any other, from my point of view. I do not have the right to discriminate against people in privatization only because they are members of the Party of the Democratic Left [SDL] or because they were in the communist party in the past, and I am not going to discriminate against them. As for the concept of privatization, the fact remains that some SDL representatives regard coupon privatization as property distribution, which is not the task of this government, in their opinion. From my viewpoint, coupon privatization is, first and foremost, privatization.

[Stulajter] The last amendment to the law on large-scale privatization increased the powers of your ministry. Under this amendment, the ministry can determine the terms, extent, and method of privatization. Are you determined to use your powers in extreme situations, defying the "resistance" of other government departments and various interest lobbies?

[Janicina] I intend to use but not abuse those powers. This means that whenever different views on some matters arise in the government, I will prefer talks to confrontation. One has to listen even to those who view things differently.

Analysis of Foreign Trade in Jan-Apr 94

AU0906153694 Bratislava PRAVDA in Slovak 7 Jun 94 p 5

[TA SR report: "How We Traded"]

[Text] The turnover of the Slovak Republic's foreign trade in the first four months of the year amounted to 121.876 billion Slovak korunas [Sk], which is an increase of 16.1 percent over the same period last year. The foreign trade balance of the Slovak Republic for this period showed a deficit of Sk3.368 billion. According to an analysis made available to the TA SR by the Slovak Statistical Office yesterday, the Slovak Republic's exports totalled Sk59.254 billion. They went up 13.8 percent, compared with the first four months of 1993. The Slovak Republic's imports totaled Sk62.622 billion, which means an increase of 18.5 percent against the equivalent period a year ago.

Exports to the Czech Republic accounted for 38 percent of the Slovak Republic's exports, 17.4 percent of Slovak exports went to the FRG, 5.6 percent to Hungary, and 5.2 percent to Austria. Other [important] foreign importers of Slovakia's goods were Italy, the Russian Federation, Poland, France, Ukraine, the United States, and the Kingdom of the Netherlands. As with Slovakia's exports, the Czech Republic had the biggest share in the Slovak Republic's imports—30.6 percent. It was followed by the Russian Federation with 20.6 percent, the FRG with 11.9 percent, Austria with 5.9 percent, Italy with 3.8 percent, the United States with 2.8 percent, France with 2.4 percent, Poland with 2.3 percent, and Ukraine with 2 percent.

[Bratislava SLOVENSKA REPUBLIKA in Slovak on 7 June on page 1 carries a 150-word "st"-signed report on the Slovak Statistical Office analysis of foreign trade in the first four months of the year. According to the report, exports to the Czech Republic were 6.3 percent lower than in the first four months of 1993, while "exports to Germany went up 46.3 percent, to Austria 29.9 percent, to Italy 91 percent, to the Russian Federation 10 percent, to France 44.4 percent, and to the United States as much as 121.4 percent." The reporter observes that "evidently, the foundations of economic development laid by the government of Vladimir Meciar are beginning to bear fruit."]

Szekeres Wants Old, New Faces in Government

LD1006105994 Budapest Kossuth Radio Network in Hungarian 1000 GMT 10 Jun 94

[Text] The new government will also have members who have already gained experience in the Miklos Nemeth government, said Imre Szekeres, [executive deputy chairman of the Hungarian Socialist Party, MSZP], speaking to the "Napteve" program. At the same time the MSZP executive deputy chairman added that those younger experts and politicians who have only recently become known in the MSZP will also be considered in the course of the distribution of portfolios. The most important qualification in the ministerial appointments will be suitability, Imre Szekeres confirmed.

SZDSZ's Peto on Starting Coalition Talks

AU0906161994 Budapest MAGYAR HIRLAP in Hungarian 9 Jun 94 p 5

["Sz.Sz."-signed interview with Ivan Peto, chairman of the Alliance of Free Democrats; place and date not given: "A Refusal Would Have Had Negative Consequences"]

[Text] According to our information, immediately after the elections, many of the determining personalities of the Alliance of Free Democrats [SZDSZ] were firmly opposed to forming a coalition with the Hungarian Socialist Party [MSZP]. However, during the intensive debates in the past few weeks, those who are against rejecting the coalition offer have gradually gained a majority. "The parliamentary consequences of the elections cannot be confused with people's desires," [SZDSZ Chairman] Ivan Peto told MAGYAR HIRLAP. We interviewed Peto on the reasons why the Free Democrats had accepted the Socialists' request for starting coalition talks.

[MAGYAR HIRLAP] The SZDSZ convention on 5 June decided in favor of starting coalition talks, with a surprising majority for many people. According to my information, a major role was played in this by the fact that the party's prominent representatives and leaders collectively supported this idea.

[Peto] The executive committee was generally united. Out of the 11 members, only Gabriella Beki and Peter Tolgyessy voted against starting the talks. Tolgyessy had not taken part in drawing up the proposal that was submitted by the executive committee to the national council and on which the convention voted. He presented his alternative proposal at the convention. Apart from this, the party's leaders were indeed united in the view that we have to start talks with the MSZP.

[MAGYAR HIRLAP] Immediately after the second round of the elections, you and Gabor Kuncze said that society had voted against the coalition and in favor of a one-party socialist government. Why did you change your views within a week?

[Peto] On the night of the elections, we indeed said that society had voted against the coalition and had not sufficiently supported our intentions directed at setting up a balanced government. Later, we realized that the parliamentary consequences of the elections cannot be confused with people's desires. The public opinion poll results published last week clearly prove that a significant section of the electors would prefer a coalition government to a one-party government. The other reason for the gradual change of our views was that we had analyzed the consequences of a possible one-party government. It became clear that our country's international image would be different in the case of a coalition government than in the case of a one-party government. Third, the entrepreneurs who regard the SZDSZ's program as promising are expecting that we will try to implement it, but this can only be done from a governmental position.

We also had to take it into consideration that, in addition to the voters of the MSZP and the SZDSZ, large groups of society find it justified to create a balanced coalition government in spite of the Socialists' absolute majority. Our decision was also influenced by the fact that, unusual in parliamentary democracies, the MSZP made a coalition offer to the SZDSZ although it had an absolute majority. The rejection of this request would have clearly had negative consequences for us.

[MAGYAR HIRLAP] Between the two rounds of the elections, the SZDSZ's leaders emphasized that an absolute majority gained by the Socialists would make the conditions for setting up a coalition rather difficult. Does this mean that we can expect very difficult talks?

[Peto] It is perfectly obvious that, from the point of view of setting up a coalition, the situation is different when a party has absolute, rather than only a relative, majority. In a given situation, the MSZP can assert its will in Parliament on its own, therefore, it is much more difficult to conduct coalition talks under these circumstances. If the MSZP did not have an absolute majority then we would have to face different kinds of problems at the talks. In this case, the coalition would be a condition for forming a government. However, we now have a different situation because the Socialists would also be able to govern without us.

Slovakia's Moravcik Hopes For Good Relations

LD0906204194 Budapest Duna TV in Hungarian 1900 GMT 9 Jun 94

["Excerpt" of "exclusive" interview with Slovak Prime Minister Jozef Moravcik by unidentified correspondent following talks between Moravcik and Imre Szekeres, executive deputy chairman of the Hungarian Socialist Party, in Bratislava on 8 June—recorded; Moravcik speaks in Slovak with superimposed Hungarian translation]

[Text] [Correspondent] How do you see future cooperation with the Hungarian Government, or rather with the future Hungarian Government?

[Moravcik] Well, I have some very good ideas, just as the other side has, too. As we have already declared on previous occasions, we should attain something that we call historic reconciliation. We, these two nations, at one time lived in one state and we had, we have, our own experiences

of this coexistence, good and less good alike. We should now be able to find within ourselves sufficient courage and strength to forget everything that we did not consider really good, and be able to look to shaping our future relations, because on the basis of the orientation of policies, and of foreign policy, this future in fact should, I think, be a common future in both countries. All this in a wider community, where in fact the intensity of mutual relations is far greater than the intensity of the relations of two sovereign states.

This means coexistence within the European Union. We have to concentrate on this, and we have to settle our relations in accordance with the interests of both states. [end recording]

Law on Foreigners 'Violates' Rights Convention

LD0906113694 Budapest Kossuth Radio Network in Hungarian 0800 GMT 9 Jun 94

[Text] According to officials of the Council of Europe, the new Hungarian law on foreigners violates two paragraphs of the European Human Rights Convention. The new law decrees that certain foreigners have to undergo an AIDS test; this is contrary to stipulations of the international agreement which bans discrimination and disallows judging applications for asylum on the basis of health. This is what the English-language BUDAPEST WEEK writes.

Uncertainty in Future of Compensation Coupons

94CH0268B Budapest NEPSZABADSAG in Hungarian 11 May 94 p 7

[Text] The uncertainty surrounding compensation coupons has been apparent for a while from the decrease in the coupons' market value. At the beginning of the week, the price of the instrument approached the 500 forint [Ft] limit, which corresponds to approximately 30 percent of the face value compounded by interest. However, on Tuesday, the drop in the value suddenly stopped, and the average price increased by Ft30. According to experts, though, if no adequate privatization inventory is offered for the coupons, the stop will only be temporary.

According to State Secretary Tamas Sepsey, president of the National Compensation Office, if there is no adequate offer for the coupons, the current market value will remain. So far, compensation coupons were issued in the value of Ft110 billion, 30 billion of which have already been used, and Ft80 billion is waiting to be invested on the market. The claims for supplemental compensation "forecast" that compensation coupons will be issued in the value of another Ft20 billion. What is known of future offers is that a Ft750-million portion of the Antenna Hungaria company can be subscribed to starting on 16 May, property in the value of Ft3.9 billion can be acquired in the Hungarian Oil and Natural Gas Corporation at the end of May, and after 16 June, a Ft500-million package of stock in the EGIS Pharmaceutical Factory will be offered in exchange for compensation coupons. The palette of exchange offers also includes the Chinoin Pharmaceutical and Chemical Products Corporation, the Hungarian General Forwarding Enterprise [Masped] and the Golden Spider [Aranypok textile retail chain], as well as the Hajdu Dairy Products, Hajdu Grain Products, and Hajdu Bakeries companies. According to Tamas Sepsey, the land auctions can be concluded by the end of May, by the time the extended deadline expires, with the exception of Szabolcs-Szatmar, Bacs-Kiskun, and Csongrad counties. Incidentally, the auctions of state-owned land will only begin in September.

Coupons can be bought for less than 60 percent of face value only if families need the money to buy food, we heard from people who tried to buy coupons through classified ads in Szombathely. This opinion is backed by the findings of the local office of the State Property Agency, according to which people carefully consider selling even at face value. According to local experts, the drop in the market value is due to seasonal fluctuations: In the slow summer season last year it was possible to buy compensation coupons for as little as 40 percent; according to forecasts this year, the market value is expected to be below 50 percent. In Miskolc, many ads appeared in the newspapers offering 100 percent for compensation coupons. In some stores, the coupons are also exchanged at face value instead of the daily market value. In spite of the deteriorating market value, many people feel that compensation coupons are worth keeping, because sooner or later the trend will be reversed.

In Szabolcs-Szatmar county, the best deal was offered at the land auctions. For instance, in Nagyecsed, as much as Ft1,200-1,500 was paid in cash for Ft1,000 coupons, while "on paper" the original owner, in whose name the bids were made, remained.

According to Laszlo Bekesi, economic specialist of the Hungarian Socialist Party, compensation must be completed as soon as possible. State property intended for privatization must be offered in exchange for the coupons, creating a portfolio which would exclude property the sale of which could involve capital as well. The acceleration of compensation could propel inflation to some extent, but in his opinion, this would still cause less damage than dragging out the process. The shareholding program for small investors already involves an obligation of Ft100 billion for the new government. The Socialists do not plan retroactive changes if they get into a position to govern, but they would immediately close down the program for small investors because they consider this form of property distribution, which was started as a campaign tool, extremely damaging.

Parties Vow To Complete Compensation Process

94CH0255A Budapest MAGYAR HIRLAP in Hungarian 26 Apr 94 p 11

[Text] Representatives of the current government coalition have been scaring recipients of compensation that a different coalition government would not implement the compensation laws and would not complete the compensation process. It is not inconceivable that this, too, contributed to the plunge in the prices of compensation vouchers.

The opposition parties in parliament—the Alliance of Free Democrats [SZDSZ], the Federation of Young Democrats

[Fidesz], and the Hungarian Socialist Party [MSZP]—explained repeatedly that they would by all means complete the compensation process; moreover, they would do so as soon as possible. In reply to our question, Attila Karoly Soos [SZDSZ] said that recipients of compensation cannot be robbed of their property yet again. Legal security also demands that the next government accept, even if not too happily, the "bequest" of the previous government. Thus, the Free Democrat representative considers it obvious that a government coalition which includes the SZDSZ will offer an appropriate supply of stocks for compensation vouchers.

Should it become part of the government, FIDESZ would also like to continue the compensation process and complete its implementation as soon as possible. However, the Young Democrats do not envision passing a new compensation law either. Incidentally, in their opinion, after an assessment of obligations against the state's property, a certain amount of property should be offered against the compensation vouchers, which would include stocks not only of the good companies. Then the price of compensation vouchers would be decided by market forces.

The MSZP also considers Hungary to be a constitutional state, i.e., the Socialists also undertake to implement laws which were passed earlier. Thus, the MSZP did not vow to repeal the laws on compensation either.

Thus, the current government coalition would perhaps do better not to scare recipients of compensation with the prospect that if the current government falls, recipients of compensation will not have much going for them, either. Rather they should perhaps take care to offer more valuable state property for compensation vouchers. They could also see to it that one does not have to stand in line for days for one or two stocks, or they could even enable the recipients of compensation to choose from the stocks of 10-12 companies at the same time.

This way, the current government coalition might gain more votes in the election. Because as things stand now, no one is happy, except for speculators; those who received no compensation are unhappy because they did not receive any, and those who did are unhappy because they did. The price of compensation vouchers is decreasing because of the scarce supply of stocks and the scare tactics. That is to say, the coalition parties cannot take advantage of any of their virtues in the middle of the election campaign. To be sure, it is indisputable that due to the current government, more than 1 million people are recipients of compensation. It is also indisputable that up to now, the government made an effort to maintain the price of compensation vouchers, which the next government is not likely to do wholeheartedly even if it completes the compensation process. In other words, instead of scaremongering, they ought to act, and then the recipients of compensation would really trust in the current coalition, and would prove their trust on 8 May.

MSZP Expert on 'Long-Range' Outlook

94CH0265A Budapest NEPSZAVA in Hungarian 3 May 94 p 4

[Interview with Mihaly Bihari, political scientist and parliamentary candidate of the Hungarian Socialist Party, by Ferenc Gazso; place and date not given]

[Text] In the long term, the rotation of two alternative economies will be characteristic of Hungary: a new type of social democratic course, and a modernized conservative one. Liberalism might also remain a considerable factor in shaping policies but not in the form of mass parties; rather, through its intellectual force. The Hungarian Socialist Party [MSZP] can be regarded as a new type of social democratic party, with extremely varied internal subdivisions. This is what we discussed with political scientist Mihaly Bihari, who was at one time connected to the Social Democrats and is now running in the election on the MSZP ticket.

[Gazso] Reports are increasing about the chances of victory for the Socialists. Is this anticipated election success due to the spread of social democratic ideas or to "nostalgia," the personal charisma of individual politicians, or some skillful tactic in party politics?

[Bihari] It can be attributed primarily to the failure of the Christian-conservative alternative that the demand for the other two alternatives—the liberal and the social democratic one—increased in Hungarian society. In the 1990 elections the country voted for a conservative, modernizing political course. However, the Hungarian Democratic Forum [MDF] failed for several reasons. The content of the modernization it proposed was not clear, the coalition sent the country in an economic catastrophe, and moreover, it operated the otherwise functioning political democracy in the wrong way. All of these factors resulted in the temporary failure of the conservative alternative.

In our region, the new left appears in the form of socialist democracy: It is not communism, not reform communism, it does not represent a kind of old-fashioned "new left;" it intends to operate not merely in the spirit of reform, but not in an agrarian-plebeian spirit, either. Due to these features, this left can become a factor that can shape history and society in the long term. From this point of view, I consider the MSZP an accomplished social democratic party. Thus, in the history of Hungary these two alternatives—the social democratic and the conservative one—will alternate regularly, competing with each other, just as is customary in Western Europe.

[Gazso] Many people say about the MSZP that it is a collective party of several trends and if it comes into power, these trends can easily conflict with each other. Is the danger realistic?

[Bihari] According to the polls, the party might receive as much as 30-40 percent of the votes; this means more than 1 million voters. The political composition of these voters is extremely varied. Among them there are obviously people who have a nostalgia for the Kadar regime of the seventies, but they are not the ones who constitute the mass

of supporters. Most of them spontaneously share the values of the left, reject too great social differences, consider the establishment of a social net and the efficient handling of unemployment important, and feel solidarity with the groups of society which are left behind and are forced to the periphery.

Thus, in view of the political constitution of its voters, the MSZP is indeed a collective party, just like every other modern party. At any rate, the sociological composition of the voters gives a more truthful picture of internal subdivisions than the interviews given by certain politicians, or the position of certain individuals within the organization. It is another question altogether that concrete professional disputes can arise within the party. In the beginning there was indeed a difference between the economic policy draft put together by Laszlo Bekesi and the advertisement published last August and signed by the party chairman, but this difference of opinion was laid to rest in the course of the discussions in the fall, and today the party has only one program concerning this issue.

[Gazso] How can governing social democratic parties work together with trade unions?

[Bihari] There are examples of this cooperation going back several decades; let us consider, for example, the Scandinavian countries, the British Labor Party, the German Social Democrats, or the Spanish Socialist Party. These relations are hardly without conflict. The cooperation does not mean that the party rules the trade union or that the trade union rules the party. Both of them are forced to negotiate. Afterwards, the party must make other parties accept its position, and in the same way, the trade union must fight with other trade unions for the recognition of its position, and finally, all of this must be coordinated with the employers, as well. The participants of the modern "tripartyism," that is to say, the triparty negotiating system (government, employers, employees), coordinate their positions at a separate forum. Thus, the National Federation of Hungarian Trade Unions [MSZOSZ] as a factor in the parliamentary group and the MSZP as governing party are not the ones to say the last word. After all, we are not dealing with a state party.

[Gazso] Can the victory of the MSZP, or an eventual coalition between the MSZP and the Alliance of Free Democrats [SZDSZ], have an effect on the party structure? Is it conceivable that the tripolar political system will become a bipolar one?

[Bihari] Historically there is a chance that a left/left-center "party family" (MSZP, SZDSZ) will be formed on the one hand, and on the other, a right/right center group of parties (for instance, Association of Young Democrats [Fidesz], Hungarian Democratic Forum [MDF], Christian Democratic People's Party [KDNP], Smallholder parties). This chance is too slight. In Hungary, liberalism has always been a very serious factor in forming political aspects, even if it was not expressed in mass parties. Thinking back on a 70-80 year history, I dare claim that various aspects of liberalism (a trend toward collectivism, modernized liberalism, or radical liberalism) do have a future, but liberalism has no chance of becoming a mass party. Liberals who want to express the concept of liberalism in the form of a mass party are sooner or later faced with a dilemma: Should they organize themselves like the parties on the left, or like the parties on the right? However, liberals who accept that liberal parties can have an effect primarily through their social sensitivity and high intellectual capability, and not as a mass-based party, will feel comfortable in a smaller party or in several civilian organizations of intellectuals. For Hungarian liberals, this is a realistic role. If they accept it, the three political centers will remain.

National Bank's Role During Government Change

94CH0268A Budapest NEPSZABADSAG in Hungarian 11 May 94 p 1

[Article by Katalin Bossanyi: "Responsibility of Central Bank Greater in 'Interregnum'; Gyorgy Szapary on Currency Rate Policy"]

[Text] "We have an interest in the earliest possible formation of a new government, and in the period of government change we will be consulting experts of both the government in office and the opposition, just as we did before," Gyorgy Szapary, vice president of the Hungarian National Bank [MNB], told NEPSZABADSAG. In his opinion, the efforts of both the Alliance of Free Democrats [SZDSZ] and the Hungarian Socialist Party [MSZP] are directed toward a continuation of market reforms. This is a "good message" for the international world of finance, as well.

"The reestablishment of macroeconomic balance, that is to say, stabilization, is central to the economic policy of both parties, and this is compatible with the MNB's monetary policy," the vice president said, who felt it necessary to emphasize that the central bank was a neutral organization, independent of the government, but that it had to adjust its monetary policy to the economic policy of the government in power. As he put it, the MNB was the supreme guardian of monetary policy, but it could not perform miracles if the situation of the budget was not stabilized.

Szapary referred to the international perception that in an "interregnum" between election rounds and in the period of coalition meetings, central banks have an increased responsibility in forming monetary policy. This is especially true for the situation in Hungary because in the first third of the year, the deficit in the balance of payments greatly surpassed projections. As reasons for this, the vice president gave the increase in imports and the only inaccurately traceable course of the income generated by exports. Therefore, even before the first round of elections, the MNB indicated to the government that it intended to take measures in its own sphere of authority to prevent a further deterioration in the balance. It will restrict the liquidity of the domestic money market by, for instance, buying back bonds, and increase the prime rate of the central bank. This, in turn, will of course influence the interest rates offered by commercial banks as well.

Szapary told NEPSZABADSAG that the bank was aware of the most diverse conjectures about a devaluation of the

forint. He did not want to say anything definite, because that would only benefit speculators, but he said that the MNB wanted to continue its former exchange rate policy of pursuing a "tactic of small steps." Incidentally, the MNB is currently in negotiations on issuing bonds abroad.

Progress on World Fair Preparations Reported

94CH0[illegible]B Budapest HETI MAGYARORSZAG in Hungarian 13 May 94 p 8

[Interview with Expo '96 Commissioner Etelka Pataky Barsi by Gyorgy Dioszegi; place and date not given]

[Text] *Two years before the opening of Expo '96, the public learns more and more frequently about various events connected with the preparations. Because of the increasing frequency of Expo events, we requested an interview with Honorary State Secretary Etelka Pataky Barsi, Expo commissioner.*

[Dioszegi] How far are the preparations advanced at the site of the expo?

[Barsi] The construction of the underground infrastructure is nearing completion. One of the big buildings which will remain after the Expo is already under construction. The evaluation committee of experts made a decision a few days ago about awarding a contract to build the Hungarian pavilion, work on which will begin in July. The planning of the Austrian pavilion will also be finished soon; it will be planned and built by the Austrians, but after the Expo closes, that building will also become part of the university campus. The construction of the Lagymanyos bridge is going ahead at full speed. Within a few weeks preparations will begin for the construction of the footbridge as well. The plans for the sports and cultural center are also completed; it will house, among other things, a large-scale sports facility and a theater which can accommodate an audience of several hundred. These are only the larger projects; I will not even mention the smaller ones. Furthermore, the coordination of cultural programs is under way, because every day of the Expo will have one or more important cultural events. Every country will have a national day when it will be able to present the values of its own culture.

[Dioszegi] While traveling in the countryside, one hears more and more often that people are preparing for the Expo.

[Barsi] We invited bids for events before, after, and during the Expo, and more than 1,000 ideas and suggestions were submitted. The suggestions include an international meeting of cavalrymen, a scientific conference on great lakes, a festival of the Hungarian chess players worldwide, a jewelry world fair, a world fair of inventions, and a folklore show by seven small villages.

[Dioszegi] How do foreigners react to our efforts?

[Barsi] We held the first international meeting on our world fair in March. We found with considerable pride that in the entire history of world fairs this was the first time that two years before the opening of the exhibition, at the meeting of the organizing country, representatives of the foreign countries could receive an answer to every question, and they would be able to see how much progress was made. As a result of our preparatory work, 59 countries replied to our invitation. Only seven of them gave a negative answer. Positive replies came from 29 countries. Austria, Holland, Germany, and the Vatican have already appointed their commissioners. Some countries, such as Switzerland or Finland, have already reserved their exhibition areas. Approximately 23 countries consider it important to introduce themselves; they are looking at their possibilities and are working on their budgets.

[Dioszegi] The question is unavoidable: Will the Expo be profitable? Will it be worth it?

[Barsi] The budget of the Expo at 1993 prices is $1 billion. Of this amount, 31 percent will come from budgetary support as defined by law, 24 percent from direct income, 26 percent from state bonds, and another 19 percent from the lottery, privatization income, and the sale of real estate. Furthermore, I can assert that we are not building a "disposable" Expo. The use of everything is predetermined. By this I mean that the universities would have needed the buildings two decades ago already. The footbridge will be transferred to a Hungarian town. The portion of the M0 highway loop which is under construction now will relieve the crowded capital this year already, and the updated railroad between Budapest and Vienna will also continue to operate. These are only a few random examples. But if I add to this that at least 10 million visitors will come to the Expo and that they will stay here, use transportation, and eat, then taxes on the additional income from services and catering establishments can also be regarded—indirectly—as income from the Expo. In this way, it can hardly be a question whether it will be worth it.

Ministry Agreement With Religious Schools

94CH0265B Budapest NEPSZAVA in Hungarian 3 May 94 p 2

[Article by Eszter Szaloky]

[Text] On Wednesday Ferenc Madl, minister of culture and public education, is scheduled to sign an agreement on the long-term financing of religious schools by the state with institutions which were so far unable to come to an agreement with local governments.

In reply to NEPSZAVA's question, the minister stated that this measure concerned more than 100 schools. As is well known, based on the terms of this contract the government would undertake to finance religious schools for 20 years, in spite of the fact that local governments as well as the parties protested the planned transaction. The deal has been called a renationalization of the schools, which is contrary to the spirit of the law on public education, namely, to the intention of decentralizing public education. As Gabor Horn, education specialist of the Association of Free Democrats [SZDSZ], put it, if these contracts go into

effect, religious institutions will give up their schools themselves. After all, this contract will turn religious schools into public schools.

Assessing the past four years of the portfolio, the minister called the new, 1993 law on public education an outstanding accomplishment. At the press briefing presenting his evaluation he added: The national basic curriculum was completed after much superfluous discussion which did not contribute to the portfolio's reputation. As the greatest accomplishment concerning higher education, the minister emphasized the autonomy of institutions.

According to information available to us, the program for the Renewal of the Profession of Educators [PSZM] did not receive a penny of the 82 million forints which were allocated to it from the budget. This money is intended for the establishment and development of county regional educational centers. Concerning these, Ferenc Madl told NEPSZAVA that the restoration of the PSZM program is under way, but this does not mean that it will be abolished. The board of trustees which used to be headed by Jozsef Zsolnai was dissolved only in form. The minister said he considered it conceivable that by the time the contractual obligations of PSZM are fulfilled, a different crew, of similar composition than the previous one, can take over this program.

Major Decrease in Foreign Trade Reported

94CH0270A Budapest FIGYELO in Hungarian 12 May 94 p 26

[Article by Gabor Oblath]

[Text] There was not a single country in our entire region where total exports, as well as exports to the West, declined to the degree they did in Hungary. Notably, Hungary had the largest deficit in the balance of payments and the largest relative trade deficit (compared to exports and to the GDP). The fact that exports increased slightly in the first quarter of this year cannot be interpreted as a sign of reversal in view of the extremely low level of trade in the same period of last year. Imports grew much faster than exports, and the enduring and very considerable deficits in the balance of trade and the balance of payments ($750 million and $800 million, respectively, in three months) begin to threaten the stability of the economy.

The trouble is greater than one would think; to realize this, one should discard two beliefs in particular. According to one belief, the 1993 decline in our exports was part of a general East European trend which was caused primarily by the recession in the West. According to the other, the huge deficit in the balance of trade and the balance of payments in the first quarter of this year is actually "a good thing" because it is a sign that the economy began to grow.

Both parts of the first belief mentioned above are based on an error. On the one hand: In 1993, in a number of East European countries, the value of exports expressed in U.S. dollars did not decrease but increased (especially that of the exports into industrialized countries), and the fact that the total exports of the region decreased slightly was largely due to the extreme decline in Hungarian exports. Concerning the entire region, we have final data only for the first three quarters of last year. These data indicate that the total exports from Eastern Europe as well as the exports to the industrialized countries expressed in U.S. dollars decreased by approximately 2 percent compared to the same period of the previous year. However, if we disregard Hungary's results and look at the exports of only the other countries, it appears that last year the rest of the countries increased their total exports by 3 percent, and their exports to the West by 4.5 percent.[1]

On the other hand, in spite of the recession in the West, the Czech Republic was able to increase the dollar value of its exports to the West by 20 percent, Poland by 12 percent, and Romania by 7.5 percent. (Since the export prices of the aforementioned countries calculated in U.S. dollars decreased, the increase in the volume of their exports was even more considerable.) In view of these results it is difficult to believe that Hungarian exports to the West decreased in 1993 by 21 (!) percent largely because of the recession in the West. And indeed, this explanation is without any factual foundation. Namely, while the Western demand for import goods from the entire East European region decreased by 5 percent, the so-called specific demand for imported goods which is relevant for the individual countries[2] decreased more than the average (by 5.5 percent) in the case of the Czech Republic and Poland, which both exhibited considerable export growth. Thus, the recession in the West does not explain anything. The reason for the difference in export results must be found within the individual countries, in the internal prerequisites and the differences in economic policies.

The other belief is that the Hungarian trade deficit is actually a good thing because it is connected to the vitalization of the economy. This opinion is unfounded, but this is not the only problem with it. Namely, those who believe or want people to believe that things are basically all right unwittingly obscure two connected but fundamentally different issues. One of them is whether there are favorable economic processes behind the trade deficit, i.e., whether the deficit is desirable. The other question is whether the imbalance can be sustained.

Strongly simplified, one can say that the trade deficit is desirable if it happens while exports are increasing and is prompted by processes which can provide a foundation for the subsequent growth of the economy. However, it is certain that the deficit is undesirable when it is accompanied by a decrease in exports, a considerable increase in imports not for the purposes of investment projects, and by domestic producers being squeezed out of the domestic market. These symptoms indicate the low or decreasing ability of the country to compete on the international market; they are hardly desirable.

However, the trade imbalance is characterized not only by the favorable or unfavorable processes which created it, but also by its relative size. Although there are no rigid limits, generally it is still possible to decide whether the relation of the deficit to the country's foreign currency income, GDP,

foreign currency reserves (or other indicators) is still in a realm in which the deficit can be financed on a sustained basis (without undermining the country's future financial standing), then the deficit can still be sustained. However, there is a limit beyond which the deficit becomes unsustainable. Of course, this limit is not independent of the perception of creditors and foreign investors whether the deficit is desirable, and by far precedes the point after which the deficit becomes technically impossible to finance. (Incidentally, one should not rely on the momentary judgments of creditors and investors, because they can unexpectedly and fundamentally change.) Approaching this limit, the country itself must take convincing steps to reduce the deficit. If these steps are not taken by the country, sooner or later they will be taken by creditors and investors.

Looking over the East European countries' 1993 results, one can find examples of desirable and sustainable trade deficit. For instance, in the Czech Republic, exports increased very rapidly, and investment-oriented imports increased considerably, while the deficit remained negligible. Slovenia offers an example where the deficit is presumably undesirable (it was induced by a slight decrease in exports and an increase in consumption), but because it is insignificant, it is also sustainable. Finally, there is also an example where the deficit is the result of desirable processes (primarily due to economic expansion; it was accompanied by a rapid growth in exports to the West and the import of machinery), but it is presumably still not sustainable, because it is too large; this is the situation in Poland.

The trade deficit in Hungary is fundamentally different: The deficit is primarily due to a decrease in exports, and the increase in imports in 1993 had little to do with an acceleration of the economy; at any rate, indications of the latter are uncertain. But independent of all this one must see that if the deficit reached one-third of the value of the exports, and is beginning to exceed 10 percent of the GDP, it is certainly not sustainable. Not even when, due to credits, the level of foreign currency reserves increased to a relatively high level. Namely, these reserves are meager compared to the deficit, and they imply mostly debts.

A comparison of the results of Hungarian foreign trade with other countries of the region indicates that the decrease in Hungarian exports was unique and by far not unavoidable. The roots of the problem must be found not without, but within, in Hungarian economic prerequisites and economic policy.

Footnotes

1. We mean Eastern Europe without the successor states of the Soviet Union. The source of all the data in the article is the database of the UN European Economic Committee which is based on national statistics. See: Economic Survey of Europe in 1993-1994.

2. The change in the ("specific") demand for imports from individual countries can be calculated as the weighted average of the demand for imports in the OECD countries, in such a way that as a bias we employ the percentages of the share of Western countries in the exports of individual Eastern countries.

Notable Stock Sales Reported

94CH0268D Budapest NEPSZABADSAG in Hungarian 11 May 94 p 7

[Unattributed article: "Danubius Stocks Gone"]

[Text] Recipients of compensation coupons subscribed to the package of stocks of the Danubius Hotels Corporation for a total of 560 million forints [Ft] within one day; thus, the application was closed Monday night. The recipients had to submit 10 coupons with a face value of Ft1,000 each in return for 10 stocks with a face value of Ft1,000 each. On the same day, on the stock market the stocks of Danubius were traded six times at a total value of Ft802,700. Each stock was bought at a price of Ft1,150.

The stocks of the Sopron Brewery had a good showing on the stock market. On the first day of trading, the stocks introduced on 9 May were traded at the value of Ft35 million—the entire volume of trading on that day was Ft43 million—at an average price of Ft5,003. On Tuesday the volume of trading in the stock was Ft10 million, which was also extraordinary, but its average price fell to Ft4,700. The closing price was Ft4,600.

Bavarian Company To Help Businesses

94CH0267A Budapest PESTI HIRLAP in Hungarian 7-8 May 94 p 7

[Article by Bea Lachowszky]

[Text] Bavaria is providing 1.8 million marks worth of new subsidies for small and medium-sized businesses. RKW (Board for the Economy's Rationalization), headquartered in Frankfurt, has opened an office in Hungary. Its purpose will be to subsidize consulting for businesses that are about to be formed, are in the process of being formed, or have been newly formed.

In Bavaria, the purpose of RKW is to assist new, medium-sized businesses. There this activity is based on traditions of 40 years standing. As the managing director of RKW said at his news conference yesterday, 90 percent of the businessmen in Bavaria are satisfied with this service. However, German assistance can be effective only if it is based on local experience. Therefore RKW has concluded a cooperation agreement with IPOSZ (National Federation of Trade Associations), an umbrella organization whose associations have a combined total of 709,000 businessmen members. When signing the agreement for the Hungarian side, IPOSZ Chairman Gyorgy Szucs noted that the agreement was another successful step toward the realization of the four-year-old program that had set as its objective the development of a system of consultancy services to ease the first steps of small businesses, thereby making the about-to-be-formed or newly formed businesses competitive and thus contributing to their long-term survival.

German financing for the program will be arranged through the Ausgleichsbank. RKW is maintaining its Hungarian office in the IPOSZ building on Imre Kalman Street. We learned from office manager Andrea Glodi that a staff of 40 to 80 consultants will be in place by the end of May or early June. The consultants are being selected on the basis of personal interviews conducted by RKW experts. RKW will provide further training for the successful candidates. The first businesspeople will be able to call at the office foreseeably by the middle of June. The subsidies will be administered directly through the banks participating in the Start loan program. Persons considering a business career may seek consulting before the final decision to start a business; persons establishing a business, before and during its establishment; and the owners of start-up businesses, during the first three years of operation. They may seek advice about their business plans, their foreseeable market and competitive situation; about the availability of financing and the selection of location; as well as about questions arising in conjunction with the elaboration of their business strategy, operational plans, or marketing plans. A business may avail itself of at most six subsidized personnel-days of consulting time, with RKW footing half the consulting fee.

RKW will maintain its office in Hungary foreseeably for 18 months. The signatories of the cooperation agreement are confident that the consulting system will be able to stand on its own feet by that time, and to function without foreign subsidies.

This hope is being nourished also by the agreement that IPOSZ signed today with Ernst & Young. The gist of the agreement is that henceforth this well-established accounting and consulting firm will accept also small businesses as its clients. As Arpad Tertak, the firm's general manager, put it, the firm will place at the disposal of business representatives and members of the trade associations belonging to IPOSZ the business experience and knowledge it has accumulated over several decades. Through IPOSZ, the firm will assist clients with consultancy services, including the preparation of loan applications. It will also undertake to find foreign sources of financing and professional and institutional investors as potential partners.

Authorities Raid Illegal Radio Studio

94CH0268C Budapest NEPSZABADSAG in Hungarian 11 May 94 p 7

[Text] Last night, locator vehicles of the Communication Authority identified the illegal broadcasting station of Radio Tilos [Forbidden] in a Budapest apartment on Sziv Street. The police took action, whereupon the representative of the Communication Authority initiated action against an unknown offender for the violation of the press ordinance.

As one might recall, Radio Tilos also submitted a bid to launch a local radio station, but the Ministry of Culture and Public Education rejected their bid, together with those of two other community stations. Radio Tilos announced at that time that it would resume its illegal broadcasts.

Dr. Eva Balla, leading attorney of the Communication Authority, told NEPSZABADSAG that according to a law, broadcasting without a studio permit requires the involvement of the police and the initiation of proceedings. She said that in the course of yesterday's action it did not come to atrocities, but she regretted that the operators of Radio Tilos refused all cooperation. Thus, criminal proceedings must be started ex officio, and as a result, on the basis of the current law, Radio Tilos will not be able to receive a broadcasting permit for three years. Incidentally, the attorney does not understand why the community station was not granted a permit, because it would have been an colorful addition on the air.

(We were unsuccessful in our attempts to interview the illegal radio operators about the events.)

We reported in our Monday issue that the Fiksz [Fix] Club wanted to hold a street demonstration to protest the fact that the Ministry of Culture and Public Education [MKM] refused them access to the files of frequency application cases. At the MKM we learned that only access to the files of other petitioners was refused.

Kolodko Views 'Strategy for Poland' at Meeting

WS0906125994 Warsaw RZECZPOSPOLITA in Polish 9 Jun 94 p 7

[Article by A.K.: "Economists on 'Strategy for Poland', Neither a Plan nor a Declaration"]

[Text] "It is not my ambition to go down in history. I do, however, want to resolve a few problems that are a burden on the economy. I will not allow a few dozen other issues to be included in this program. I have selected 10," said Deputy Prime Minister Kolodko after hearing economists' questions and remarks concerning the "Strategy for Poland." The deputy prime minister took part in a meeting at the Polish Economic Society, which was held on 8 June in Warsaw.

Many controversies were aroused by the unemployment counteracting program. A decrease in the unemployment rate, which was envisioned in the program, to a level of 14 percent was said to be too low. It was also stressed that it is not possible to lower the inflation rate and the unemployment rate at the same time. The goal to work toward should be to lower unemployment, whereas combating inflation is merely a means leading to the achievement of this goal. Therefore, a "monetary expansion" should not be feared.

Many statements suggested that the "Strategy for Poland" is too optimistic. Participants of the meeting listed the conditions that should be met so that implementation of the programs is possible—"to mobilize savings"; "to extend the investment blockade"; "to increase the inflow of foreign capital and to create conditions for investors"; "to improve the competitiveness of the economy and, following the Japanese model, to set up a foreign trade council"; "to immediately embark on a program of investing in human capital"; "to extend the guarantees for deposits in all banks"; "to prepare substitute policies, when it turns out that, for instance, there are new possibilities."

As Deputy Prime Minister Kolodko said, the "Strategy for Poland" is supposed to inform both households and all companies, as well as foreign investors, about the intentions of the Polish Government. They should know what they can count on. This is exemplified by the tax on immovable property, which has been blown up into sensational news, despite the fact that work on it was started by previous governments. The ministry is conducting such work; however, it will be the Sejm that decides what taxes and when they will be introduced. We want to develop housing, said the deputy prime minister, and we will not tamper with the fiscal system in such a way as to impede this sector.

There exist very acute conflicts between employment and inflation or between unemployment and inflation. These are more political than economic decisions. The "Strategy for Poland" proposes lowering these two rates, both the inflation rate and the unemployment rate, which is possible. Right now, however, it seems that of greater importance is the quicker lowering of the inflation rate—to less than 10 percent by 1997. This is more real than lowering the unemployment rate to this level.

The government is not going to grant a state loan, as was done, for example, before World War II for implementation of the program. The country's debts are too great debt to afford such measures. Therefore, I do not want to accept credits without any consideration, the deputy prime minister said.

The announced consolidation of banks, which also causes concern, is indispensable because of competition. Even the largest Polish companies are simply small compared to Western firms. It is not true that there are surpluses in this year's budget. The revenues are indeed greater. However, for example, the valorization of retirement and disability pensions costs 2.5 trillion zlotys [Z] a month, which totals approximately Z30 trillion per year. The budget participates in this. Now, if it turned out that there are really some surpluses, I would prefer to spend them primarily in such a way as to partially lessen the debt burden of the education or health sector, said Deputy Prime Minister Kolodko.

Grzegorz Kolodko said that, for the time being, there is no need to amend the budget, which does not mean, however, that there cannot be any changes in the future. "I will certainly not propose it this month," he said.

Economists Raise Doubts

WS0906130694 Warsaw ZYCIE WARSZAWY in Polish 9 Jun 94 p 9

[Article by Jerzy Krajewski and INA: "Will the Situation Be That Good?; 'Strategy for Poland' Is Being Criticized—Many Economists Have Doubts Whether Inflation and Unemployment Can Be Reduced at the Same Time"]

[Text] *Deputy Prime Minister Kolodko admits that "Strategy for Poland" is "a bit optimistic." He does not expect taxes on stock market transactions to result in substantial revenue for the state budget. He is not sure whether it will be possible to lower income tax rates in 1995.*

Today, Sejm deputies will make a decision on whether Deputy Prime Minister/Finance Minister Grzegorz Kolodko is to present in the Sejm a governmental economic program for the years 1994-97 called "Strategy for Poland." Last night, opposition representatives in the Sejm Leadership [Konwent Seniorow] spoke out against a suggestion coming from the Sejm speaker for the program to be presented without a parliamentary debate on it. The governing coalition wanted to postpone the debate by two weeks, meaning until after the self-governmental elections. Kolodko announced his Sejm speech a few hours earlier, during a meeting with some economists in Warsaw.

10 Main Points

According to Kolodko, the main feature of "Strategy" is an "extension of the economic time frame." The program includes 10 main theses, followed by 10 main programs [programy wezlowe] that elaborate on the theses. Kolodko regards the need to lower the social cost of the reforms as one of the more important issues. This will require concentrating, among other things, on achieving rapid economic

growth. Other important issues include: negotiation principles of the distribution of the results of labor, improvement in living conditions, reforms of the center, and increasing the Polish economy's competitiveness.

Important Figures

Each main program contains criteria of execution. "Strategy" envisages achieving 22-percent growth of the GDP over four years. "This means that the GDP will increase by $365 per resident, reaching the level of $3,500 in 1997," Kolodko said. Over the same time period, consumption will rise by 16 percent and investments by about 32 percent. Unemployment is to go down from 16 to 14 percent. In 1997, inflation should not exceed 10 percent.

Economists' Doubts

According to the economists taking part in the meeting, it will be hard to achieve the goals set forth in "Strategy." A few of them pointed to the need to conduct a restructuring of state-owned enterprises soon. Professor Pawel Glikman said that, in Poland, capital intensity of production in state-owned industry is four times that of privately owned industry and that, when it comes to the construction industry, it is even seven times higher. Professor Urszula Plowiec warned that Polish enterprises may not meet the challenge of foreign competition once customs duties are decreased by 20 percent next year. The possibility of lowering the unemployment rate was subject to particular skepticism during the meeting. That is because restructuring and increasing the competitiveness of Polish enterprises will require employment cuts. A majority of economists are also leaning toward the view that measures aimed at lowering inflation result in increased unemployment.

What Taxes Will Be Like

Deputy Prime Minister Kolodko said he is aware that the program is a bit optimistic but that, if a concerted effort is made, it is implementable. When asked about a possible amendment to this year's budget, Kolodko said that, so far, revenue surpluses are not big enough to be able to carry out such an amendment of the budget law. He confirmed that he would like to lower personal income tax rates as early as next year, but he does not know where to get the 3.5-4 trillion zlotys [Z] to cover the decreased budget revenue that would result from such a measure. He was trying to convince his listeners that taxing stock market transactions will not endanger the stability of the Polish capital market, nor will it improve the lot of senior citizens. He expects Z1 trillion from the stock market tax next year, whereas the valorization of retirement pensions by 12 percent to be carried out in June will cost the state budget Z2.5 trillion.

President Approved

"Generally speaking, I mean in terms of the main directions, Lech Walesa approved the 'Strategy for Poland,'" Kolodko stated after a meeting with the president. Kolodko said that the president received the "Strategy" with enormous interest: "He asked me a whole list of specific questions that were geared to making sure that his earlier proposals and suggestions were included in the plan. I think to a large extent they were," said Kolodko.

Unemployment Assessed, Policy Criticized

94P20790A

[Editorial Report] An article in the 26 April issue of the Warsaw daily POLSKA ZBROJNA comments on the impact the increasing rate of unemployment is having on Polish society and criticizes the government's approach to dealing with this problem. Referring to an accompanying map of Poland that indicates those districts (mostly in northern Poland) suffering from the highest levels of unemployment with black shading, journalist Elzbieta Szmigielska-Jezierska writes that "unemployment is growing in Poland, and the black stain is getting larger. In some regions, the rate is over 20 percent, and this is alarming." Szmigielska-Jezierska finds disturbing the fact that the 30-to-44-year-old age group has been the most severely affected by unemployment: "The tragic aspect of our condition is underlined by the fact that this age group is being hit the hardest. These are people in the prime of their lives.... If all of these people are useless to the country, a country that must intensively modernize its economy, are we a lost nation?"

Szmigielska-Jezierska notes that, in addition to the 2,900,000 registered unemployed (15.7 percent of the population), an even larger number of "hidden" unemployed are on the payroll of factories where they have nothing productive to do. The extent of this overmanning, which is made possible by large government subsidies, is estimated at approximately 5.5 million.

Szmigielska-Jezierska finds fault with the government and, in particular, with Leszek Miller, minister of labor and social policy, for relying on large welfare appropriations to alleviate the results of unemployment rather than coming to grips with its root causes. She describes the relief payments as "manna from heaven," which will not provide a lasting solution to Poland's unemployment problem.

Status of Telecommunications Industry Outlined

94P20818A Warsaw ZYCIE GOSPODARCZE in Polish 3 Apr 94 pp 22-23

[Article by Adam Koronowski]

[Text] The companies that produce telecommunications equipment in Poland have found themselves in an extremely difficult situation in the "transition stage." The problem has mainly been that there has been no chance to reach a technological and organizational level that would allow them to compete on the Polish and foreign markets with the well-known foreign manufacturers.

To illustrate this point, let us compare the potential of the Polish telecommunications industry to that of foreign manufacturers. The combined sales of five Polish enterprises covered by the privatization policy—i.e., "Telfy" SA [Incorporated], "Teletry" SA, PZT SA, ZWUT SA, and "Elwro" SA (this group is not fully devoted to telecommunications)—amounted to just under $60 million per year

(in 1992). Sales in 1991 of public telecommunications systems (to include only exchanges and transmission units) amounted to almost $8 billion for Alcatel, $6 billion for AT&T, and only slightly less for Siemens. For all of these companies, this accounted for only a portion of their overall sales, which amounted to approximately $20 billion (Alcatel), about $14 billion (AT&T), and $44 billion (Siemens). Because of these production volumes, these companies are able to allocate $3-5 billion annually to research and development. As we see, this amount exceeds the value of the sales of the entire Polish telecommunications industry by several orders of magnitude.

Financial Problems

Polish companies that produce telecommunications equipment and, in particular, exchanges for the public net have found themselves in serious financial straits. An example of this is Warszawskie Zaklady Wytworcze Urzadzen Telekomunikacyjnych, ZWUT [Warsaw Telecommunications Equipment Production Plants], a company with roots in the sector that extend very far back and that has a considerable share of the market. In 1992, its losses amounted to 41 billion zloty [Z], and for the first half of 1993 to Z81 billion. Faced with scant prospects for developing and selling its main product, the Pentaconta analog exchange, ZWUT quickly approached the brink of bankruptcy. A total of 2,600 workers were laid off. The losses of the "Elwro" enterprise amounted to Z185 billion in 1992, and to Z90 billion over the first six months of 1993. The enterprise found itself in a similar situation, which meant layoffs for 1,200 people. The "Telfa" enterprise, which was sold previously, also racked up losses. During the last half of the year before "Telfa" was sold, losses amounted to Z20 billion. Only PZT and "Teletra" were operating near the breakeven point, but even they have few prospects of surviving on the market.

At the same time, the domestic demand in this area is, as we know, tremendous. The poor state of Polish telecommunications is not only a source of daily frustration but also by itself one of the most serious barriers to attracting foreign capital to Poland.

It is estimated that, by the year 2000, an average of 600,000 new lines will be installed per year, at an average cost of $1,500 per line. This means that the value of telecommunications deliveries to the Polish market will be approximately $900 million per year, of which about $240 million will be for exchanges, transmission equipment, and related services. This last group is a market segment covered by regulations that are to be introduced.

Auction Card

Everything seemed to indicate that the benefits of the rapid modernization and development of the Polish communications system would go to foreign companies, while the Polish ones would not survive. In addition, the uncontrolled proliferation of foreign suppliers on the Polish market would create the danger of introducing too many switching systems offered by the respective manufacturers. In Western Europe, there are two or three systems in operation in each country. In these countries, this equipment has resulted from many years of natural selection.

It should be emphasized that the situation of Polish companies that manufacture exchanges for the public network has not attracted a great deal of interest from foreign capital. True, partnerships with foreign capital interests have been active in some of them, but the foreign shareholders have not been interested in expanding their investments under the existing conditions.

Assuming correctly that the powerful auction card the Polish side has to play is the opportunity to sell equipment on an eager Polish market, two solutions present themselves that would allow foreign companies to profit from access to this market, provided conditions are ensured for Polish manufacturers to develop. First, the order from the Minister of Communications requires that deliveries of switching equipment for the public network have a 50-percent national content. Second, a decision made by KERM [Economic Committee of the Council of Ministers] in October 1992 directs that the number of installed remote switching systems, as well as the number of suppliers, be limited to three. These suppliers, according to the KERM decision, are to be selected during the course of the privatization of the group of Polish telecommunications enterprises that is to be carried out in three transactions. What has been accomplished in the natural course of events in many countries has, in Poland, had to be carried out in a way that is regulated and makes it possible to avoid "creative chaos."

The solution that has been adopted has assured foreign companies access to the Polish market by putting it up for auction in connection with the acquisition of Polish enterprises. Investment commitments that investors have given in a buy-sell agreement, as well as the requirement for national content, ensure that the access gained to the market will be turned into a way of guaranteeing the development of production in Poland.

Theory and Practice

Let us take a look at the first of the tools utilized in this connection: the requirement for 50-percent national content.

In this regard, it was assumed that each of the three suppliers would capture one-third of the Polish market—i.e., would sell the equipment that is needed for the installation of 200,000 lines per year. It would then be necessary to answer the question of how much of the production volume could be handled effectively in Poland. It would also be necessary to outline the possibilities for contributing to deliveries of equipment to the national market. Finally, it would be necessary to estimate the impact of Polish price realities on the altered cost structure in relation to the altered structure of the same costs abroad. Of course, all of this research required consideration of the time factor for estimating when the pledged level of national content could be achieved.

As a result of the research based on the methodology outlined above (the research, a portion of which is presented here, was carried out by Bain & Co. at the request of the MPW [Ministry of Privatization]), it was found that achieving the target national content of 50 percent would not be possible from the technical standpoint unless the investors were allowed to include in the shipping cost to Poland the price paid for the shares of the Polish telecommunications enterprises acquired. This is, in fact, the solution that was adopted in the order from the Minister of Telecommunications. The order also allowed a period of three years for the required level of national content to be reached. At the expiration of this period, fulfillment of this requirement will be verified by an independent unit on behalf of the Ministry of Communications. The equipment suppliers are also obliged to file annual reports.

As we know, requiring a specified national content is a protectionist tool. Consequently, in theory, it would lead to an increase in the costs of production and the prices for the equipment. It turns out, however, that, in the situation in question, the risk is not so great. First, it should be emphasized that the commitment for the successful suppliers to capture one-third of the market does not mean that access to this much of the market is awarded to them. On the contrary, all suppliers who emerge during the course of privatization are entitled to the same access to the market, not just a certain share allocated to them. This means that they will be obliged to compete in auctions organized by the operators (Telekomunikacje Polska, SA). This will undoubtedly put strong downward pressure on prices.

Next, we should recall that, in outlining the extent of national content, consideration was given to how much of the equipment could be produced effectively (i.e., at competitive prices) in Poland at the intended scale of production. The requirement for national content is not supposed to become a pretext for obsolete and expensive local products because it applies to manufacturers who are world leaders in terms of the development of technology in the telecommunications area. Finally, it should be emphasized that the order from the Minister of Communications calls for controls on supplier pricing practices, as well as on technology transfer.

The second of the solutions implemented (linking market access to the acquisition of Polish enterprises that produce telecommunications equipment) is certainly better known because it was the subject of press items that appeared at the time the regular transactions were completed. Just remember that the right of exclusive access to the market was granted for a term of six years to the suppliers whose systems have already been adopted in Poland and who made the purchases within the framework of one of the three proposed transactions. The objects of these purchases were packages of 80 percent of the shares of "Telfa" in Bydgoszcz, "Teletra" in Poznan, and PZT and ZWUT in Warsaw, to which "Elwro" in Wroclaw was also added by decision of KERM. The buyers were, respectively, the U.S. concern AT&T, Alcatel SESA from Spain, and Siemens from Germany. All of these firms are world leaders in the field of telecommunications.

In discussing the results of the three transactions together, we note that the sale of 80 percent of the shares of the five enterprises funneled $70 million into the state budget, and the buyers pledged to invest $162 million over six years, subject to agreed-upon penalties [for failing to do so] and to raise the paid-in capital by a total of $70 million over two years. They also guaranteed jobs for 5,600 workers for 18 months.

These transactions do not, of course, encompass the entire telecommunications industry. Additional privatization transactions are also slated for this sector of industry. The most important decision that will have to be made, however, pertains to the fate of the main operator in Poland, Telekomunikacja Polska SA, which holds a monopoly position.

Daily Views Religa's Plans To Transform BBWR

WS0906102994 Warsaw NOWA EUROPA in Polish 9 Jun 94 p 2

[Article compiled by E.W.: "Association Like Republican Party; Zbigniew Religa Wants To Transform BBWR"]

[Text] *According to Zbigniew Religa, chairman of the Non-Party Bloc in Support of Reforms [BBWR], the association has failed to fulfill its task of uniting the entire right wing. That was not possible, Religa explained in an interview for PAP. A meeting of BBWR's founding members to debate the formula and structure of a future organization will take place before the end of the month. Religa does not rule out that the new organization will include people who have left other right-wing parties and who are acting on their own now or who have abandoned political activity completely.*

It cannot be an organization that would be exclusively for Lech Walesa and that would be associated with him because, in that case, it would lose its significance both if the president wins the election and if he loses it, Religa explained. He also stressed that the bloc being organized now cannot be an organization that would be linked to himself or to Andrzej Olechowski, either; instead, it must be a group with a clear program and goals.

There is no doubt whatsoever that, if my concept and direction are supported by the majority, then, beginning at that point, work will begin on transforming the BBWR into a new party, Religa said. He added that both BBWR members and poeple from outside it who could take part in the future organization will debate the group's new formula. When explaining the reasons for the decision, the BBWR chairman said that, in its current form, the BBWR could not be an organization that could make its mark in Poland's political landscape permanently—that is to say, over the next 10-50 years. Religa admitted that he still has an incomplete idea of what the future group should look like. But he did stress that he would not like it to resemble a party in the classic sense of the word—meaning, identification cards or various types of party commissions. I like the concept of, for instance, the Republican Party in the United States the most.

Politicians, Journalists on Press Council

WS0906120594 Warsaw RZECZPOSPOLITA in Polish 9 Jun 94 pp 1-2

[Article by Bernadeta Waszkielewicz and Pawel Reszka: "The Council for the Press; Is There a Threat of Return of Censorship?"]

[Text] The opinions on the idea of setting up a council for the press are quite varied:

—It is an attempt to reestablish censorship.

—Someone should watch, within reasonable limits, over the values or opinions promoted by the press, say politicians of various political stripes about the proposal submitted by Democratic Left Alliance Deputy Adam Halber. The basic controversies are: Is it necessary to watch over the press? Should the press market be protected from foreign capital? Eventually, if the council were to exist, who would set it up—the authorities or the journalists themselves?

Someone should watch, "within reasonable limits," over the values or opinions promoted by the press, believes Janusz Dobrosz, deputy chairman of the Polish Peasant Party [PSL], who accepts the idea of establishing a council for the press. "There is a difference between respecting general values and imposing, offending, and slandering. We have pluralism, and the press is shaping public opinion."

Asked about whether the council will not be a form of censorship, Dobrosz replies that it will not, but "the informative proportions are so distorted that not the political opposition but the opposition to our views has a greater share in the media." Dobrosz did not firmly deny the suggestion that the role of the council would be to ensure influence of the governing coalition over the press. He explained that he believes that "the government must have its own press, which is exemplified by the governmental page in RZECZPOSPOLITA, because someone must present" the activities, intentions, and opinions of the government, not only this government "because this one will eventually leave, but every government." "This is a lack of balance, it is absurd and inadmissible."

According to M.A. Jerzy Adamowski of the Journalism Institute, it is possible for a press council to function in the Polish reality. It should not deal with disputes between journalists and politicians. This should be handled by courts of law.

Krzysztof Krol of the Confederation for an Independent Poland opposes the idea of setting up the council. He fears that the idea of establishing the press council is "an attempt to recreate the former censorship." "Such a council would soon get the idea of creating types of press 'space slots'—that is, calculating who appeared in the press and how many times. It would be a kiss of death for journalism. There is a great difference between a civil servant and a journalist; these two should not be confused."

A negative attitude toward the council has also been adopted by Zdobyslaw Milewski of the Freedom Union. He considers the idea of establishing a press council to be misconceived because it aims at regulating the free media from the position of the state authorities.

Comparison with the National Council of Radio and Television [KRRiT] is also not a very good one because it deals with the regulation of the affairs concerning radio stations, where there is not enough space for everyone.

Presidential Spokesman Andrzej Drzycimski also is not an advocate of the idea of establishing the council. "I do not think it could be a panacea for the problems that journalists themselves cannot resolve today."

The Protection of the Press Market

According to the author of the idea, among the fields of activity of the press council should also be the protection of the press market from the influx of foreign capital. There is no agreement over this issue as well. Jaroslaw Kaczynski, of the Center Accord, claims that a lack of inflow of foreign capital would conserve the advantage of the postcommunist forces on the press market. Kaczynski would back the idea of admitting a greater amount of foreign capital to the Polish market, which, he believes, might result in greater pluralism. This, among other reasons, is why he objects to the establishment of the council. He does support the idea of setting up a nonparty body that would be entitled to impose prohibitive taxes, for instance, as a result of which obscene magazines would not be a good source of income.

Ignacy Rutkiewicz, president of the Polish Association of Journalists [SDP], says that it is absurd to limit the inflow of foreign capital in a free market economy.

The PSL's Janusz Dobrosz is of a different opinion: "The penetration of the Polish press by foreign capital is too great; proportions have been distorted," and some organ should control this issue. Jerzy Adamowski believes that the press council might deal with the protection of the Polish capital on the press market (during a transition period, it would protect periodicals from the dumping prices of competitors). It might also prevent the concentration of capital, and deal with the journalists' ethics and disputes between publishers and journalists.

Authorities' Attempts To Gain Influence Over the Press

Jerzy Adamowski says that the council should be independent of politicians. It should consist of "persons of public confidence," representatives of publishers, and of journalists, and, if this cannot be avoided, of politicians. However, the latter should not have the greatest say. It would be a threat to the council if politicians wanted to gain influence over the media through it. SDP head Ignacy Rutkiewicz concedes that there are various opinions among journalists on the establishment of the press council. Some of them firmly oppose this idea; others say that the council should be established. However, it cannot be established by the government's decision; nor can it be formed in line with the special party-political system (as it was in the case of KRRiT). It should rather be an expression of the will of the journalist's milieu.

It would have to be situated within the press law. It should not be established in a separate law—one drafted in the fast mode, at that—provided that journalists themselves decided that such a council should be established.

Manolescu Proposes Reorganization of CDR

AU0906161394 Bucharest Radio Romania Network in Romanian 1300 GMT 9 Jun 94

[Text] During the weekly news conference of the Civic Alliance Party [PAC] today, Party Chairman Nicolae Manolescu read out a declaration that describes the principles proposed by the steering collegium of the party to reorganize the Democratic Convention of Romania [CDR] so that it could become a competitive part of the Romanian political class.

In that sense, the following things are suggested: the transformation of the CDR into a strong alliance of political parties able to make political and postelectoral offers on the basis of a joint political platform; the separation of nonparty associations and their transformation into a civil forum supporting the CDR by undertaking specific actions; the structuring of the CDR into central political leading bodies, working bodies, and local bodies; the making of decisions within the CDR solely on the basis of consensus; the working out of a protocol on the ways to participate in elections; the working out of terms regarding postelectoral cooperation; and the establishing of ethical rules referring to interparty relations within the CDR.

The declaration also states that the sole way to solve certain tensions that have emerged among the democratic opposition is to sincerely and responsibly approach the ways in which the CDR could be reorganized, reports our correspondent, Iulia Gherman.

PNTCD Leader's Statement on Monarchy Viewed

AU0906123894 Bucharest ROMANIA LIBERA in Romanian 2 Jun 94 p 1

[Editorial by Mihai Mihailescu: "Out of Too Much Honesty"]

[Text] It has become clear by now to every Romanian citizen what the four-year rule of the Iliescu group means. However, the main characteristic of the Romanian people's attitude is great anemia rather than revolt or the wish to bring about change. As a matter of fact, the Iliescu group has worked in such a way as to bring us to a state of despair that makes us see nothing before our eyes but the fierce struggle for survival. Very few people think about an alternative.

Thus, the opposition has to offer us one. First of all, the opposition must convince us that this poor nation is really in need of an alternative. However, it seems that the opposition has not been very convincing.

Without minimizing the force of the Democratic Party (National Salvation Front), one should still stress that the central pillar of the opposition is the Democratic Convention of Romania [CDR]. Its moves lead or decide on matters of the strategy of the opposition in the political game. The latest developments of the CDR should be examined from this angle.

Nobody contests the fact that the most incisive member of the CDR is the Liberal Party-1993 [PL-93]. Many have even accused this party of being extravagant. If one examines the issue correctly and carefully, it becomes clear that the extravagance of the PL-93 is in reality well calculated. The debate on and endorsement of the law on the 1994 budget seemed to face a serious struggle. A heated atmosphere prevailed at the opening session of the joint meeting of the two chambers of Parliament. The PL-93 called for legal action against Prime Minister Vacaroiu and Finance Minister Florin Georgescu. In spite of the fact that the request of the PL-93 was very surprising, the arguments showed common sense and were indeed well- founded.

Again, the fire lasted only for one day. The majority of parliament representatives succeeded in eliminating from the agenda the discussions on the issues proposed by the PL-93. However, the CDR members, in their addresses, permanently incriminated the prime minister and finance minister. But again, nothing happened. Even the members of the PL-93 abandoned the attempt. The fact that not much was achieved does not matter. However, it would have been an intelligent move against the Iliescu group. Through the echo of such a move, people would have realized that they are ruled by an incompetent government. Many people asked why the liberals gave up so easily. We do not believe that the reason was the CDR's inconsistency, its weakness, or its lack of dexterity in the political game. But the CDR did not wish to be accused of blocking in any way the proceedings of Parliament. In any event, although the result would have been the same, the CDR would have gained a lot in the political struggle.

Coposu's declaration to the effect that the PNTCD will fight for a change of the Constitution and the reestablishment of monarchy came as an explosion. It has been proved and we believe it, that, at least for a long period of time, the constitutional monarchy is the best solution for Romania. However, unfortunately the majority of the population has not understood this. We are convinced that Mr. Coposu made this statement out of the wish to honestly communicate the intention of the PNTCD if it comes to power. There is no question about the fact that Mr. Coposu is the symbol of a righteous person. We are not convinced, however, that this was the right moment for such a declaration.

How many of those who changed their option and started moving toward the CDR were bothered by this declaration? Many people were expecting a dispute to break out between the parties included in the CDR after the PNTCD leader declared its intentions. However, he explained that he had made the statement on behalf of the party. We admire Mr. Coposu's frankness, but repercussions for the CDR might still emerge in the Romanian political system.

Out of too much honesty, one can lose the political ability. Let us not forget that while the Iliescu group promised changes, it is frantically working for restoration. It was a fat lie, but still, the Iliescu group is doing fine. Even with Mr. Vacaroiu....

Statement Causes 'Amazement'

AU0906124194 Bucharest EVENIMENTUL ZILEI in Romanian 3 Jun 94 p 1

[First part of Ion Cristoiu editorial: "What Has Got Into Mr. Corneliu Coposu"]

[Text] At the recent news conference of the PNTCD [National Peasant Christian Democratic Party], Corneliu Coposu said that if his party comes to power, it will modify the Constitution to be able to bring King Mihai back to the helm of the country. According to Coposu, the reestablishment of the monarchy is the only way to save the country from the deep crisis it is currently facing. The leader of the peasant party made no secret of his faith in King Mihai. He has affirmed on several occasions that he sees the king as the only person able to change the situation in Romania. However, never before has this belief been expressed so strongly and clearly, and mainly, it has never been accompanied by explanations about the way in which the king will be brought back to the throne. Politicians often use their analytical knowledge on various issues. The salvation of the country is one of the themes on which they can fully show their willingness to express an opinion. In the case of Coposu, we are by no means dealing with an idea that sprang from the need of the PNTCD leader to be original. No doubt, here we are witnessing the proclamation of an electoral program. This is also proved by the fact that after he had revealed it also at the Paris symposium devoted to exile issues, Coposu returned to his ideas regarding the monarchy with the same intensity during the news conference held at home.

The attitude of the opposition parties toward King Mihai so far has been marked by visible ambiguity. Even Coposu's PNTCD avoided publicly broaching the issue of King Mihai's return to Romania as monarch. The explanation for this prudence can be found in an electoral calculation. All opinion polls so far have shown the vast majority of the population to be incontestably republicans. The monarchist part of the population, even if not too large, showed an electoral determination that cannot be contradicted by a party without risk of losing votes. To please both the republican and the monarchist sides, the opposition parties left the issue of the position toward King Mihai in suspension. They did not clearly declare themselves monarchist for fear of losing the votes of the republican majority. However, they did not declare the act of bringing the king to Romania as impossible, in order to make the monarchists believe that, nonetheless, they support his majesty.

Within this context, Coposu's clear statements struck our entire political scene with amazement. They surprised both the right as well as the left. The right was reduced to barely understandable stammering. ROMANIA LIBERA, the newspaper that expresses the state of mind of the Romanian right wing but also of the monarchist part of the population, yesterday [2 June] published a slightly distraught commentary. With all necessary precautions, Coposu's position is considered ultimately as being maybe even dangerous for the political capital of the CDR [Democratic Convention of Romania]. On the left of our political spectrum, the stupefaction regarding such a unambiguous position of the PNTCD leader was equally immense.

On the parties in the government coalition, King Mihai has the effect of a hot iron rod thrust directly in the ribs. It is enough for them to hear his name and they start frantic gesticulations. This time, the leaders of the respective parties were simply paralyzed. The only reaction from the left was from Adrian Nastase [leader of the Social Democracy Party of Romania—PDSR]. His position makes the echo provoked by Coposu among the members of the left-wing even more enigmatic. Nastase was content to consider the declaration as "extremely grave and serious." The laconic nature of this viewpoint can be explained certainly through the elements that are strictly connected with Nastase's personality: a certain elegance in the political dispute and concern about not being too tough with Corneliu Coposu, the only right-wing leader who publicly expressed his sympathy with the PDSR leader. However, at the same time it is clear that Nastase's laconicism also expresses the preoccupation not to start making statements on an issue on which the PDSR has not yet expresses its position.

Thus, the reactions to Corneliu Coposu's statement betray a profound state of bewilderment. Something along the line: What has got into Mr. Coposu? Our answer to this question can be found in the next issue of our newspaper.

Coposu's 'Calculations' Examined

AU0906124094 Bucharest EVENIMENTUL ZILEI in Romanian 4 Jun 94 p 1

[Second part of Ion Cristoiu editorial: "What Has Got Into Mr. Corneliu Coposu?"]

[Text] As I was writing in the previous issue of our newspaper, the statements made by Corneliu Coposu [leader of the National Peasant Christian Democratic Party—PNTCD] to the effect that if the PNTCD comes to power it will modify the Constitution and will reinstate the monarchy, caused great bewilderment among politicians, a state that could be best defined through the question: What has got into Mr. Corneliu Coposu? Searching for an answer, the left-wing of our political spectrum thought that this is perhaps a blow whose hidden meanings are not yet known. Therefore, this side preferred to adopt a position of prudent silence. However, Corneliu Coposu's political friends interpreted this declaration as a gaffe. This is also what the ROMANIA LIBERA editorial devoted to this issue says, not without some sort of gentleness. Condemned as being untimely, with serious consequences for the CDR [Democratic Convention of Romania] the declaration is explained by the fact that the PNTCD leader, an honest man, insisted on telling the Romanian people "what the PNTCD has in mind if it comes to power." Under the nicer aspect of this statement there is also a deadly hidden thorn. The concealed reasoning is the following. Coposu knew what disaster his declaration on reinstating of monarchy would cause to the PNTCD and the opposition in general. Nevertheless, without anybody forcing him, he started, out of the blue, to state what the PNTCD will do in the event it

comes to power. And all this only because he, unlike others, is an honest man. Why is this reasoning a thorn in the nice aspect of the statement? Because it shows us Coposu as a great personality when it comes to the moral aspect of the issue, but infantile when we consider the political aspect. Luckily, Coposu is far from the way the reasoning of his friends wants to present him to us. Without any concessions to the moral aspect of the issue, one has to admit that Coposu is an experienced politician who is carefully weighing his moves and statements. From this point of view, his statement regarding the reinstatement of the monarchy in Romania is not a gaffe, as some would have it, but the result of a rational calculation. Through this statement, the PNTCD leader solves several things.

First of all, he brings back the radical and inflexible anti-government and anti-presidential position of the PNTCD that the negotiations with the PDSR [Social Democracy Party of Romania] have seriously damaged. Nothing can separate the PNTCD from the PDSR and from President Iliescu more than such a categorical declaration regarding the restoration of the monarchy. This is a point on which the ruling party and President Ion Iliescu will never reach a compromise with any party. Thus, Coposu's declaration is meant to reaffirm in a spectacular way in the eyes of the electorate the fact that between the PNTCD and those in power there is a huge gap. One of the diversionary maneuvers used against the opposition was to systematically release rumors about secret negotiations that the PDSR and the presidency are holding with the PNTCD. Affirming that the program of his party is based on the restoration of the monarchy, Coposu makes it impossible for those in power to resort to such maneuvers in the future. Likewise, this makes impossible any attempt of the PDSR and of the presidency to resume the masquerade of negotiations with the opposition. Thus, strongly separated now from those in power, the PNTCD insists on emphasizing more clearly than ever that the entire responsibility for the disaster rests exclusively with those currently in power.

Second, through his definite declaration, Coposu is preparing his party for the future elections. It is clear that the next elections will be dominated by the idea of the need to change the current state of affairs. Certainly, the parties will propose to the electorate a radical solution that the Romanian people has not met so far. No doubt, political parties will propose all kinds of solutions to the electorate. The party that is going to propose a radical solution that the Romanian people has not met so far will have a chance to win. No doubt this proposal will not be the reform, privatization, or return to communism. Such solutions have already been expressed, with the already known disastrous results. Therefore, the solution that one could bet on, even if it involves certain risks, would be the establishment of the monarchy. Apart from the fact that it has not been applied so far, this solution has a few important advantages: it is radical, since it presupposes a total change of the current situation; it is simple to explain, because it does not refer to very complicated economic arguments, which are difficult to understand, but resorts to political and sentimental arguments; and it is based on the nostalgia of the Romanian people for the providential person (the kings will come and solve everything!). It is possible that the PNTCD leader is mistaken in his calculations. He might be taking an enormous risk with this electoral program. However, any risk is preferable to the disaster that the opposition is currently facing.

Gavra on Rift With Funar, Stoica Funeral

94P20864A Bucharest ADEVARUL in Romanian 13 May 94 p 2

[Article by Oana Iurascu: "Ioan Gavra: 'Ioan Aurel Stoica's Burial Ceremony—A Festive, Ideological Manifestation'"]

[Text] Ioan Gavra has denied the existence of a rift between him and the chairman of the PUNR [Romanian National Unity Party], explaining that differences of opinion are normal in a party with a democratic life, as long as the expression of these differences does not affect the public image of the PUNR. "There is no problem with unity in the PUNR," he emphasized, while predicting an earthquake in the PD(FSN) [Democratic Party(National Salvation Front)].

The PUNR deputy chairman characterized the burial ceremony for PD(FSN) Senator Ion Aurel Stoica in Cluj as a "festive, ideological manifestation," considering as unjustified the massive presence of PD(FSN) representatives from the county organizations. Gavra said that since the former PD(FSN) senator did not "die a hero's death," the request that he be buried in the Cemetery of Heroes in the locality was unjustified: "Former members of the nomenklatura do not deserve to be there." In any event, Stoica is still, after his death, the object of attention of the commission for monitoring housing space for parliamentary representatives because, according to Gavra, he had two villas, in Cluj and in Bucharest. Gavra reported that he informed the Public Prosecutor's Office of the cases of Basescu and Sasu, who slandered him, and that he asked for 100 million lei in compensation for moral damages, saying that this was "just pennies" for the two members of the PD(FSN).

Severin on Role of Council of Europe

94P20864B Bucharest AZI in Romanian 24 May 94 p 3

[Article by Iulia Rosca: "A Question a Day Column; 'What Does European Extension Mean?'"; response by Adrian Severin, Democratic Party deputy and representative of the Parliamentary Assembly to the Juridical Commission for Human Rights]

[Text] "At this time, the main concern of the Council of Europe is its own redefinition. At the time of its establishment, two zones existed in Europe: one was free and democratic and the other was occupied and supervised militarily, spiritually, and civilly. This configuration no longer exists. The USSR has disappeared and, in its place, the CIS has appeared. It is not known exactly what type of community it is or whether its members really are independent states. The Council of Europe will have to redefine the concept of Europe.

In this situation Europe no longer appears only as a geographic area but as an area of behavior, a cultural and historical area and even an area of specific interests. For example, the Encyclopedia Britannica—a scientific document used in the Council of Europe—defines Europe as a peninsula of Asia, between the Atlantic and the Urals. Such a definition cannot be accepted. What will the integration of Russia in Europe mean? The acceptance of the extension of the borders of Europe beyond Azerbaijan?

First of all, emphasis is placed on the idea of a European space, which is extended in regard to culture and behavior and on the idea of specific interests. In this system of reference, there are movements of geographic boundaries. The failure to clarify specific interests generates a state of constant insecurity. For this reason, the Council of Europe cannot restrict itself to the issue of human rights but also must deal with security problems. Whenever European standards on human rights are in question, European security is implicitly in doubt. The extension of Europe also modifies economic standards of property rights and access to the market economy.

Romania, Hungary, Poland, and Slovakia have common borders with the former USSR. Hungary and Romania do not have a common border with Russia so they are not part of the so-called 'first line' in the sphere of interest of the Russian Federation. The current CIS should not be identified with the former USSR, the inveterate adversary of democracy and pacifism. The aforementioned countries should give more attention to their mutual relations. However, it would be dangerous for us to believe that, with the disappearance of the USSR as a political concept, the expansionist and autocratic spirit which has characterized the history of Russia for so many centuries has also disappeared.

We must recognize that today's Russia is a superpower, even though it has very great problems. We know that when a superpower is 'sick' it is more dangerous than when it does not have any weaknesses. This is why the internal stability of Russia and of the countries in its sphere of influence should be a major concern of Europe. Unfortunately, this stability is not easy to achieve and should not be confused with moments of domestic tranquillity or with pacificist statements made to the outside world. Stability must be based on a democratic structure and a sound economy, which would truly guarantee the domestic and foreign security of states. The instability of a state presents a danger for its neighbors.

Perhaps we should add Turkey to the list of the four countries which I mentioned earlier. Turkey is a neighbor of the former USSR in the Asian zone. In my opinion, the European West should support these states not for the purpose of creating a defensive military barrier but to form a starting zone for actions in the aid of Russia and its allies.

In Warsaw, I called attention to the fact that the tension between Romania and Hungary as well as the failure to utilize the entire potential of Romanian-Polish relations only increase the level of danger for the 'first-line' countries and for European security. Political factors should be concerned with eliminating 'disputes' and utilizing, to best advantage, the potential of these countries for collaboration."

Silajdzic Praises U.S. Congress Vote

AU0906204394 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 9 Jun 94

[Text] [Announcer] Our colleague Arijana Saracevic was on duty today in the building of the Presidency and she monitored the information that came in. We have her on the line and she says she has some important information. Good evening, colleague Saracevic:

[Saracevic] Good evening, colleague Selimovic. As you have already said, I am reporting from the building of the Bosnia-Herzegovina Presidency and from the Bosnia-Herzegovina Government session, and I have a piece of truly (?incredible) information to tell you. Namely, the U.S. Congress has passed the McCloskey Amendment regarding the lifting of the arms embargo. It is interesting to note that 245 congressmen voted in favor of the amendment, while 175 voted against it. I have Dr. Haris Silajdzic, prime minister of the Bosnia-Herzegovina Government, beside me and I am going to ask him to comment on the information that we have just received.

[Silajdzic] Well, your colleague has already said most of it. We were not expecting such a significant and great victory. This Congress decision has now been submitted to U.S. President Clinton, who can veto such a decision. If he vetoes it, a two-thirds majority will be needed in the next vote in order for the United States to unilaterally lift the arms embargo for Bosnia-Herzegovina. Therefore, we are dealing with a unilateral lifting of the embargo, which the UN Security Council can no longer influence. In case there is no veto—presidential veto—the embargo will then be lifted by this decision alone. If there is a veto, a two-thirds majority will be needed in the next vote in order for the lifting of the embargo to be realized. Thank you.

[Announcer] Mr. Silajdzic, if you are still with us, could you briefly comment on....[pauses]. President Clinton has a [word indistinct] right, and his statements—we have been cut off—have caused a veritable storm, which makes it very difficult to believe that there will not be problems connected to this decision—the one passed by Congress—all the more so because President Clinton has [words indistinct]. Nevertheless, as Prime Minister Silajdzic said, this is a great diplomatic victory.

Silajdzic, Canada's Chretien View Arms Embargo

LD0906234794 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 9 Jun 94

[Passages within quotation marks recorded; Chretien speaks in English with superimposed Serbo-Croatian translation;]

[Text] [Announcer] Canadian Prime Minister Jean Chretien visited the UN Protection Forces [UNPROFOR] Canadian troops in Visoko and met Prime Minister Haris Silajdzic in Sarajevo today. Nedzad Leko has the report.

[Leko] After the talks, the reporters were first addressed by Canadian Prime Minister Jean Chretien.

[Chretien] "The prime minister and I discussed the extremely complex situation. Everybody wants peace, but peace is hard to achieve. The prime minister explained all the difficulties on the road to peace: the history, the geography, the geopolitical situation; so this has been a very useful visit for me. Not only did I have the opportunity to meet the Canadian troops on their peace mission, but I also visited Sarajevo."

[Leko] Asked by reporters about Canada's stance on the lifting of the arms embargo against the Bosnia-Herzegovina Army, Jean Chretien said:

[Chretien] "In our view, the lifting of the embargo would not lead to peace."

[Leko] The reporters were interested in whether Canada would be ready to send additional troops, especially if France decided to withdraw.

[Chretien] "We made no commitments regarding either their deployment or withdrawal. Of course, if a peace deal is concluded, other countries—Canada as well, perhaps—will send additional troops."

[Leko] Prime Minister Silajdzic then commented on the contents of his talks with the Canadian prime minister.

[Silajdzic] "The first and basic divergence of views concerns the embargo issue. The prime minister believes that the lifting of the arms embargo would heighten the risk of the outbreak of war in Bosnia-Herzegovina, while we believe that the embargo is illegal [words indistinct]—if an illness is treated with a certain medicine for two years and the results are disastrous, as they are, then the medicine should be changed.

"On the other hand, [words indistinct] to achieve peace. If we manage to achieve peace, there will be no problem. We are asking what happens if we do not achieve peace. Of course, the aggressor does not want peace and he is showing this perfectly clearly.

"Our question to the prime minister is what to do if we do not achieve peace. Will we again disperse, as we did after the London conference, and say no deal or will we point our finger at the culprit and define the measures to be taken by the international community in the event that the aggressor rejects the peace plan.

"We believe that the supervision of our border with Serbia and Montenegro has come two years too late; if the international community had taken these measures two years ago, things would not be what they are today. It is still not too late for the international community to take serious measures for controlling the border with Serbia and Montenegro with the aim of stopping the aggression against our country."

Spanish UN Force Opens River Route to Sarajevo

LD1006120694 Madrid RNE International in Spanish 1000 GMT 10 Jun 94

[Text] The Spanish Blue Helmets deployed in Bosnia on a peace mission have reopened the Neretva River route after

three months of hard work. Slovak Blue Helmets deployed in the area also took part in this mission.

The reopening of the route means that the link between the Dalmatian coast and the Bosnian capital, Sarajevo, has been reestablished. A floating bridge has been installed on the Bijela River to replace the one destroyed during the fighting between Croats and Muslims.

The UK's Michael Rose, commander of the Blue Helmets in the area, was at the bridge-opening ceremony where a plaque was unveiled in honor of the Blue Helmets, among whom are the Spaniards belonging to the Cordoba Group.

Ganic Gives Statement on Cease-Fire

LD0906221794 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 9 Jun 94

[Text] Ejup Ganic, member of the Bosnia-Herzegovina Presidency and vice president of the Bosniak-Croat Federation, who led our country's delegation at the talks in Geneva, returned to Sarajevo this afternoon. Upon his arrival Ejup Ganic gave a brief statement on the cease-fire agreement:

[Begin Ganic recording] We have done what the assembly asked us to do. As far as Gorazde and the talks on the four-week cease-fire are concerned, we did not agree to freeze [the positions] that the aggressors tried to impose on us with help from some UN circles, and we tried to decide on what was best for our country.

I must say straight away that some new ideas exist. If the arms embargo is not lifted there should be a reduction in armament. [end recording]

Geneva Document 'Far Below' Serb Expectations

LD0906135294 Belgrade TANJUG Domestic Service in Serbo-Croatian 1254 GMT 9 Jun 94

[Text] Banja Luka, 9 Jun (TANJUG)—The document signed in Geneva falls far below our expectations, far below what had been demanded, Aleksa Buha, minister of foreign affairs of the Srpska republic told the SRPSKI GLAS daily in Banja Luka today.

"The warring sides were requested in an imperative way to agree to a four-month cessation of hostilities in order to reach a political solution in the meantime, but the Muslim side did not accept it." In addition, the warring sides were requested to negotiate without setting any conditions, but the Muslim side did not abide by that either, Buha said.

"The Geneva document has been treated as the first step toward reaching an agreement on the cessation of hostilities, while negotiations to this end will begin in a few days," Buha said. "Another part of the agreement contains an obigation for the three sides to exchange POW's on the all-for-all principle in the meantime; that is, before the new round of negotiations."

Serb Attacks Continue Prior to Cease-Fire

AU1006094994

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 0800 GMT on 10 June, just hours before the agreed one-month cease-fire is supposed take effect, reports the continuation of combat activities in the following areas:

The Information Service of the 107th Knightly Motorized Brigade Gradacac reports that "artillery attacks on Gradacac have continued since yesterday. During the visit by representatives of the Nordic Battalion, the aggressor fired more than 30 howitzer shells on the town itself." The shelling continued overnight at regular intervals and "a true cannonade started at 0400 this morning. From all directions and all types of arms, the aggressor has been attacking the lines of our fighters in Novalici, Vida, the industrial zone, Sibovac, Ukici, and Mionica. The tanks from Osmanovici, Gornje Krecane, Bucje, and Huskici are devastating the civilian installations in the town and the settlements on the outskirts. At the same time, projectiles from the howitzers of the largest-type calibers are pounding the town center. The defense positions are being attacked with mortars and it is estimated that some 800 projectiles have landed on the free Gradacac territory." However, as the report says, "our fighters will not allow any surprises. Despite all these attacks, the defense lines are firm and stable."

"The enemy offensive on the defense lines of the 109th Doboj and 111th Gracanica Brigades has reached its climax in its ninth day," Izudin Durakovic says about the situation yesterday, claiming that "more than 1,000 projectiles from tanks, howitzers, mortars, recoiless guns, and antiaircraft arms" have been fired in the process. He reports that Gracanica itself was shelled in the afternoon, and continues to say that "although only a few hours are left before the agreed cease-fire is supposed to take effect, the behavior of Karadzic's criminals early this morning implies that the Chetniks are continuing with their old practice of saying one thing at the negotiating table and doing another on the ground."

Hamiz Deronjic reports from Brcko that "as the moment when the agreed cease-fire is supposed to come in effect on the Bosnia-Herzegovina fronts, the attacks of the Serbian aggressor on the Brcko battlefield are intensifying. The enemy's artillery attacks, accompanied by the intensified activities of the enemy infantry, directed at the positions of Brcko's defense, have continued in the course of the previous night." As he says, "the fighters of the 108th Motorized and 108th Infantry Brigades and the affiliated units of the 2d Corps did not carry out combat activities last night." Deronjic also notes the arrival of Serbian reinforcements and the regrouping of Serbian troops in the area overnight.

Serb Attacks Reported Despite Cease-Fire

LD1006105594 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 10 Jun 94

[Text] A one-month cease-fire that was agreed in Geneva is coming into effect in Bosnia-Herzegovina at this very moment. However, reports coming from the front lines do not speak of peace.

As regards the Brcko area, Serb artillery attacks have been in progress since last night against civilian targets in Boderiste and deep into the free territory. Reconnaissance units of the 108th Infantry Brigade of the Croatian Defense Council [HVO] of Brcko have reported that Serb tank reinforcements were being brought into the southeastern part of the Brcko area.

As regards the Orasje-Samac area, the Serb aggressor engaged in provocations from small infantry weapons, the Orasje operative zone of the HVO reported. They said that the Serb Army was continuing to bring in reinforcements south of the so-called corridor around Krepsic and Pelagicevo.

UN Reports Bosnian Forces Breaching Serb Lines

AU0906120994 Paris AFP in English 1139 GMT 9 Jun 94

[Text] Travnik, Bosnia-Herzegovina, June 9 (AFP)—If the latest ceasefire in the Bosnian conflict comes into effect Friday [10 June] as scheduled, it will force an end to one of the Moslem-led Bosnian army's most successful offensives of the war. For the first time, the Bosnian forces have broken through several Serb defense lines following several weeks of preparation, UN sources said.

In the north and west of the ex-Yugoslav republic, the army is poised to capture one strategic road, are advancing toward another, and are closing in on the town of Dornji Vakuf, which the Serbs captured at the start of the war, UN military observers in the field said. With the offensives underway, the Bosnian military command has barred foreign reporters from combat zones and tightened control on local media. It refuses to confirm reports of territorial gains and has sealed off entire sectors to UN peacekeepers and observers.

Analysts say the Bosnian army drive was made possible by the end of fighting between the Moslems and Croats, who have recently agreed to form a federation on territory under their control. "At many points along the front, (the government forces) are no longer the underdog or in a position of obvious inferiority thanks to troops released under an agreement with the Croats," a western military observer said. "They take the initiative and have learned, after two years of war, the importance of controlling information," he added. UN peacekeepers rely on estimates, helped by satellite pictures, to judge the success of the Bosnian army's first widescale offensive.

In the past few days, the fiercest fighting has been waged for control of what the UN Protection Force (UNPROFOR) call "route Duck," a strategic road linking two mainly Moslem regions in the northwest of the country and running through the Serb enclave of Ozren. If captured, it would enable the Moslems to link up the towns of Maglaj and Tesanj to Tuzla, Bosnia's second city, reducing the time needed to travel between them to two hours instead of the 12 it currently takes by a more circuitous route. By Thursday, after several days of coordinated infantry offensives to the west and east, the army had conquered several of the seven kilometers of the road from Serb forces, UN military experts estimated. "A victory on route Duck would have little military significance but an enormous psychological effect," a senior UNPROFOR officer in the region said.

Large contingents of Moslem troops have also been mobilized for the past two weeks fighting for control of another road—running from the town of Teslic, south to the western front. Army shells have pummeled the road from surrounding crests for several days and an offensive to descend into the valley is probably underway. "We may well see a big effort by the Bosnian army over the next 48 hours to make the most of its winning hand before the ceasefire signed in Geneva comes into force—that is if they intend to respect it," a UN officer told AFP.

The Serbs, Moslems and Croats agreed Wednesday in Geneva to observe a month-long ceasefire from Friday, under strong pressure from the United Nations. Like Teslic, Dornji Vakuf, also on the western front, appears on a list of seven towns that army chief General Rasim Delic says he will be able to "liberate" soon. On Wednesday the army had broken through Serb front lines and clashes were underway in villages outside the town.

Here in the nearby town of Travnik, a spokesman for headquarters of the army's 3rd corps denied Dornji Vakuf had fallen as troops just back from the front, carrying assault rifles and dressed in chemical- and germ-warfare resistant combat gear sat in groups on the sidewalks. In Sarajevo, UNPROFOR spokesman Captain Eric Chaperon said fighting died down somewhat along the main fronts in Bosnia as the truce agreement was signed in Geneva Wednesday. The Gradacac and Ribnica fronts in the north and Sapna, in the northeast, remained the most active in Bosnia but "compared to last week, these areas have shown a substantial decrease in the level of fighting," he said.

Forced Mobilization of 1,500 Croats Ordered

AU0906161894 Zagreb VJESNIK in Serbo-Croatian 9 Jun 94 p 48

[HINA report: "Draft Orders for All Officials in Croatian Institutions"]

[Text] Mostar—The communal secretariats of Tuzla, Lukavac, Zivnica, and Banovici, have in the past few days opted for a forced mobilization of some 1,500 Croats into the Bosnia-Herzegovina Army, Radio Herceg-Bosna reported on Wednesday. As reported by the correspondent of the Herceg-Bosna radio station in Tuzla, the military police of the Bosnia-Herzegovina Army 2d Corps—after serving draft orders—immediately transfers the Croats into the Bosnia-Herzegovina Army ranks and the military strongholds on Mt. Majevica and Mt. Konjuh.

The draft orders were served to high-ranking officials in all Croatian institutions. The Herceg-Bosna radio reports that among the mobilized are two members of the Croatian Democratic Community [HDZ] Regional Council in Tuzla, 14 presidents of HDZ branches, Josip Simic, president of the Croatian "Hrvatski Dom" Society, Drago Juric, manager of the "Sol" company, Janko Divkovic, president of

the HDZ Youth in the Tuzla region, and the majority of members of the "GLASNIK HDZ SOLI" [newsletter] editorial board. The radio stresses that the consequence of this mobilization of Croats is their massive exodus from the region, in which they are aided by the Bosniak authorities, who are taking care of all the paperwork needed for leaving Tuzla.

Colonel-General Milivoj Petkovic, head of the Croatian Defense Council [HVO] General Staff in the Croatian Community of Herceg-Bosna, confirmed that a note on the mobilization of Croats had arrived from Tuzla on Tuesday. "We have informed Kresimir Zubak, president of the Bosnia-Herzegovina Federation, about this," General Petkovic told Croatian Radio Herceg-Bosna on Wednesday, and added that this would "create numerous problems." General Petkovic assessed that this was "incorrect of the Muslim authorities," and that it was a "calculated move."

Lukic Protests UN Treatment of Serb Civilians

LD0906143194 Belgrade TANJUG Domestic Service in Serbo-Croatian 1324 GMT 9 Jun 94

[Text] Belgrade, 9 Jun (TANJUG)—Vladimir Lukic, prime minister of the Srpska republic, today sent a letter to Yasushi Akashi, the UN secretary general's envoy for former Yugoslavia, expressing concern over the provocative conduct by UNPROFOR [UN Protection Forces] soldiers in the area of Gorazde.

The letter reads:

Your Excellency,

I would like to express profound concern over the situation in the three-kilometer exclusion zone around Gorazde, created by hostile conduct by UN personnel toward the Serb civilian population. This problem was also present before, but it has exacerbated with the arrival of the Canadian troops in this area. On several occasions our civilians were ill-treated, even surrounded by armored vehicles and UN personnel, held at gun-point, had their personal belongings searched without authorization, and generally exposed to crude treatment. The most serious of all these problems is that the Canadian soldiers demand that the Serbs leave this zone, thus evicting them from their houses using brutal methods. We fear that such behavior is leading toward armed incidents with unforeseeable consequences.

The agreement on Gorazde does not authorize such treatment of Serb civilians. The prevailing impression among the civilians is that they will be gradually evicted from the area, which the UN will then hand over to the Muslims. Such unhealthy conditions can easily lead to incidents, and we believe that it is only a question of time when incidents will start occurring.

We are therefore suggesting that you forward this protest to the UNPROFOR military command and instruct the command to issue orders for the fair treatment of civilians in the three-kilometer exclusion zone around Gorazde. The situation is so serious that if no radical change takes place, we will either provide police escorts for our civilians or allow events to dictate the situation on the ground. Please treat this problem as one of exceptional importance. Thank you for your understanding.

Yours sincerely,
Vladimir Lukic

Krajina Serbs 'Continue To Starve' Bihac

AU1006121694 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 10 Jun 94

[Excerpts] The chetniks continue to starve the population of the Bihac area by not allowing the passage of 20 convoys with humanitarian aid. Here is a report by our correspondent Fahrudin Bekcic:

[Begin Bekcic recording] Because of [words indistinct] aggressor's and Abdic's blockade of a part of the Velika Kladusa commune, the Bihac district has been in total humanitarian isolation since 17 May. The humanitarian aid convoys [word indistinct] Bosnia-Herzegovina were halted at the Turanj checkpoint near Karlovac, which is in Serbian hands. They would not allow passage to 20 convoys for Bihac, Cazin, Bosanska Krupa, and (?Buzim), even though this are convoys of the international humanitarian organizations. At the same time the humanitarian aid is passing for [words indistinct] Velika Kladusa without any problems. [passage omitted]

Instead of 15 kg, the residents of this region have been receiving only 7 kg of food per month. Now the situation is deteriorating rapidly. Food and other essentials are in short supply for nearly 300,000 residents of the Bihac district. [passage omitted] [end recording]

Serbs, Muslims Swap POW's Near Brcko

LD0906220594 Belgrade TANJUG Domestic Service in Serbo-Croatian 2025 GMT 9 Jun 94

[Text] Brcko, 9 Jun (TANJUG)—The Serbian and Muslim sides today swapped a considerable number of civilians and POW's in the village of Satorovici, 10 km south of Brcko. The Serbian side released 153 Muslim POW's and civilians, while 284 civilians from the Muslim-held Tuzla region arrived in the Srpska republic.

Arrested Arms Smuggler: Izetbegovic Involved

AU0906115494 Belgrade POLITIKA in Serbo-Croatian 4 Jun 94 p 12

[Report by S. Lalovic: "Arms Dealer Arrested"]

[Text] Pale, 3 June—The smuggling of arms and ammunition—arriving in the Muslim part of Sarajevo under the auspices of UNPROFOR [UN Protection Forces]—is an ongoing phenomenon, and the latest event in the Kasindolska Street has only confirmed that. Mufid Halilovic, one of five arms dealers, was arrested during a routine control at a Serbian Army checkpoint and admitted that Alija Izetbegovic, Haris Silajdzic, and Irfan Ljubijankic are directly involved in the arms trade.

According to Halilovic, they did so during their many visits abroad and most frequently at peace conferences. A former student of the Machine Faculty, Halilovic also claims that Frankfurt airport is the main center from which the weapons, well packed and camouflaged, were delivered. He himself was a coordinator for humanitarian aid at a U.S. military base in that city, which made his job in arms dealing easier.

Halilovic also says that, together with Italian citizen Andre Andjeli, as well as Sulejman Catovic, Sead Kulic, and Saban Salcinovic, he freely obtained arms and ammunition from Ploce in Croatia and then brought them, via the "Blue Road," to Sarajevo. All this was, according to him, carried out under UNPROFOR protection, and the people who participated in this had UNPROFOR press cards on them, which enabled them to move over virtually the entire territory of the former Bosnia-Herzegovina and even beyond, that is, abroad.

This only confirms the former knowledge that hundreds of people in the Muslim part of Sarajevo who have nothing to do with the public media possess UNPROFOR press cards that enable them to use transporters and helicopters to be transferred to desired places. As a comparison, only six people working for Serbian Radio and Television possess these press cards.

Croatian Envoy Protests Martic's Statements

LD0906144694 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 9 Jun 94

[Text] The Croatian mission at the UN in Geneva lodged a sharp protest over [Krajina president] Milan Martic's accusations against the Republic of Croatia. Croatian TV journalist Jozo Curic reports:

[Curic] Miomir Zuzul, the Croatian ambassador to the UN in Geneva, lodged a series of protests with Vladimir Petrovskiy, head of the UN in Geneva, and Owen and Stoltenberg, cochairmen. The Croatian mission informed them about the fact that, during his visit to the Palais des Nations, the UN enabled Milan Martic to spread propaganda and false accusations against Croatia and UN officials at a news conference. It was not the first time that representatives of the local Serbs from the UN protected areas [in Croatia] were granted unusual protocol and were treated by UN bodies as representatives of a state during a visit to Geneva.

This official protest was prompted by the fact that, while addressing several journalists, for the second consecutive day Milan Martic made accusations against the Croatian Government and president. When Martic arrived at the entrance to the Palais des Nations where many reporters and cameramen waited for the talks on a cease-fire in Bosnia-Herzegovina to end last night, and again started making accusations against Croatia, the association of reporters at the UN interrupted his speech and requested that he be moved to another room.

Earlier Martic was received by Owen, Stoltenberg, and Akashi in Geneva. He asked for guarantees that the Croatian Government will not make a military advance into the UN protected areas, but did not obtain them. As Martic said, he did not obtain any guarantees or assurances by UN representatives.

Granic Meets With Bosnian Federation's Ganic

LD0906210694 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 9 Jun 94

[Text] Mate Granic, Croatian deputy prime minister and foreign minister, has received in Zagreb Ejup Ganic, a member of the Bosnia-Herzegovina Presidency and vice president of the Bosnia-Herzegovina Federation.

Ejup Ganic informed Minister Granic about the Geneva peace talks, which resulted in a one-month cease-fire in Bosnia-Herzegovina. He stressed that representatives of the Bosniak and Croat nations in the Federation's delegation coordinated their activities during the talks. Ganic expressed thanks for the great assistance of the Croatian mission at the UN in Geneva.

Minister Granic told his guest about the steps Croatia will undertake in order to peacefully reintegrate its occupied areas into the constitutional and legal system of the Republic of Croatia.

Tudjman Receives Muslim Deputy Zulic

LD0906151094 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 9 Jun 94

[Statement from the Office of the President of the Republic of Croatia—read by announcer]

[Text] President Tudjman today received Muhamed Zulic, a deputy of the Croatian Assembly, in the presence of Jure Radic, the HDZ [Croatian Democratic Union] secretary general. With regard to the situation in the assembly, Deputy Zulic said he continues to be an HDZ member, adding that he will explain to the public the misunderstandings in connection with his joining the Croatian Independent Democrats.

They also spoke about the implementation of the Washington agreement. In this connection, Mr. Zulic said that both as an HDZ deputy and as a Croat of the Muslim religion, he wishes to take an active part in the implementation of the Washington agreement and to work on building trust between the Croats and Muslims.

Valentic Rejects Health Minister's Resignation

LD0906174294 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 9 Jun 94

[Excerpt] I will not accept the resignation of Minister Andrija Hebrang, Prime Minister Nikica Valentic said at a Croatian Government session, which is still underway. Jasenka Dudic is on the phone with a report.

[Dudic] The program which is being implemented in the health service is part of the overall stabilization program, so I—just like Dr. Hebrang—would as a man of principles refuse to head the government if that program was brought into question. Prime Minister Valentic said this when he refused the minister's resignation and announced a discussion of the situation in the health service for the next session. He stressed that the government would not allow anarchy in the health service. The prime minister admitted that opposition to the stabilization program has been much greater than the government has admitted before, and that there is still some opposition on the part of those who oppose order.

Concerning prices, they are under control, and the government's message to those who have increased them is to reduce prices to previous levels, or the state will intervene.

The Croatian Government has adopted two-phase emergency measures for improving the water supply to Zadar and Biograd. Over the past two years the government has done everything to provide the water supply to those two towns, Prime Minister Valentic and Deputy Prime Minister Seks stressed. However, we have to exert additional pressure on UNPROFOR [UN Protection Forces] because they did not do anything to improve the water supply and protect the Kakme source, thus enabling the crime against humanitarian law. [passage omitted]

Constitutional Court Asked To Reinstate Mesic

LD0906180494 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 9 Jun 94

[Text] Stjepan Mesic has lodged a protest with the Croatian Constitutional Court, requesting the protection of his constitutional rights. Mesic suggests that the Constitutional Court should annul the decision of the Chamber of Deputies of the Assembly of 24 May this year, whereby the president [speaker] of the chamber was relieved of duty. The protest note was received in the Constitutional Court today, and Stjepan Mesic's office distributed it to journalists in the Croatian Assembly.

In his protest note Mesic explained why he postponed the 18th session of the Chamber of Deputies and stressed that, when the president was relieved of duty, provisions of the Constitution and the Chamber's code of practice—that is, the constitutional rights of the speaker of the chamber and the procedure for adopting documents on relieving him of duty—were violated.

Nonproliferation Accord Signed With IAEA

LD0906201994 Zagreb Radio Croatia Network in Serbo-Croatian 1900 GMT 9 Jun 94

[Text] In Vienna today, Croatia and the International Atomic Energy Agency (IAEA) signed an agreement on the nonproliferation of nuclear weapons. The agreement was signed by Croatian Economy Minister Nadan Vidosevic and IAEA General Director Hans Blix.

U.S. Envoy, Gligorov Discuss Embargo

AU0906192994 Skopje MIC in English 9 Jun 94

[Unattributed report: "Gligorov-Nimetz Talks"]

[Text] The President of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] Kiro Gligorov held talks in Skopje yesterday with the U.S. special envoy for the Macedonian-Greek dispute Matthew Nimetz, which were also attended by the Macedonian Foreign Minister Stevo Crvenkovski.

According to the announcement from the President's cabinet, they exchanged opinions on the present situation in the Macedonian-Greek negotiations and the possibilities of continuing the dialogue on the controversial issues. Also on this occasion, Macedonia's position in relations to the urgent need for a lifting of the blockade and the concept—to discuss and solve all of the questions in a package, was reiterated.

President Gligorov placed an emphasis on the difficult consequences from the Greek embargo suffered by the Macedonian economy and the real threat this imposes to a broader destabilization in the region. He was also uncertain whether the latest round of negotiations with the mediators in New York would be able to provide a greater certainty as to the outcome of this situation, which is already becoming an evident element of threat to the stability in the south. During the talks, they also exchanged opinions on the further development of the relations between the United States and the Republic of Macedonia.

Mr. Crvenkovski stated that other topics were the situation in Macedonia, the damages caused by the embargo and the entire situation in the region. He expressed hope that it would soon come to another meeting with Nimetz, and that the talks with Cyrus Vance would be continued.

The U.S. special envoy Nimetz explained before the press that all of the sides in the negotiations have agreed that it is better not to disclose the essence of these sensitive negotiations in public, as it is a better way of conducting them more successfully. He stated that the talks were of great help to him in understanding the problem better, and that his function was to convey the stances of the two sides individually.

Crvenkovski: Agreement With Greece 'Close'

AU1006121594 Skopje MILS-NEWS in English 10 Jun 94

[Unattributed report: "Close to Reaching Terms"]

[Text] Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] and Greece are close to reaching terms of agreement, the Macedonian Foreign Minister Stevo Crvenkovski stated for the weekly magazine PULS. He pointed out Macedonia's view, insisted on from the beginning, on a need to resolve problems in a package and establish long-term and sound friendly relations, is accepted not only by the other side but by the international community as well. As for the two-day talks with U.S. envoy Nimetz, Crvenkovski said they focused on the next round of negotiations on ministers level, due next week in New York.

Albania Refuses To Accept FYROM Name

LD0906222894 Belgrade TANJUG in English 2204 GMT 9 Jun 94

[Text] Skopje, June 9 (TANJUG)—Albania side refused to sign Thursday in Skopje [The Former Yugoslav Republic of Macedonia—FYROM] an inter-state agreement with The Former Yugoslav Republic of Macedonia (F.Y.R.M.) on cooperation in the areas of agriculture, water resources and forestry, all due to misunderstandings over the name of this republic.

As set out by Skopje radio Thursday, the Albanian side refused to sign the memorandum on cooperation bearing the "constitutional name of Macedonia."

The radio recalled that only a few days ago, during the meeting of the F.Y.R.M. and Albanian presidents—Kiro Gligorov and Sali Berisha—in Podgradec (Albania) and Ohrid (F.Y.R.M.), the name Macedonia was not disputed by either side.

An Albanian Government delegation, headed by Agricultural Minister Hassan Halili, stayed on a three-day visit to F.Y.R.M.

Macedonia was given a temporary name of F.Y.R.M. because of a dispute with Greece. Greece opposes most strongly the name Macedonia as it sees in it territorial pretensions of this state towards the northern Greek province of the same name.

Gligorov Receives VMRO-DPMNE Leaders

AU0906133594 Skopje VECER in Macedonian 8 Jun 94 p 3

[Report by B. Geroski: "'Evidence' on Gligorov's Desk"]

[Text] As we have discovered from a number of informal discussions in the delegates' group of VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Movement for Macedonian National Unity], yesterday a delegation of this party, consisting of Ljupco Georgievski, president, Dosta Dimovska, vice president, and Boris Zmejkovski, secretary general, was received by Kiro Gligorov, president of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FRYOM] just before the beginning of a new parliamentarian session. The same sources claim that the president was presented with "documentary evidence" of the state security service's involvement in the latest events within this party.

Denial

Allegedly, it was a "evidence" to show that the VMRO-DPMNE had again been bugged, as well as a "document of the state security service" in which some of the delegates of this parliamentary group (the factionists) were mentioned under coded names. Yesterday, Georgievski, Dimovska, and Zmejkovski were hesitant about commenting on the

meeting, and we were told to wait for the statement expected to be issued by the president's office. Nevertheless, we registered that they were not prepared to submit this evidence in formal proceedings of the competent parliamentary commission for control over the work of the state security service, headed by the factionist Stoile Stojkov.

Georgievski reiterated his denial of the claim made by Stojkov and Stefkovski that he had sent them to Gligorov to discuss the flag. We have unofficially found out that such a meeting was held with Stefkovski, Stojkov, Jordan Boskov, and Tome Stojanovski. However, according to yesterday's version, delegate Stojkov came out with his own initiative for replacing the 16-pointed star on the flag with the double tailed lion.

Claims

Yesterday we also spoke to the other side—the delegates Stojkov and Stefkovski. They both claimed they were still in the VMRO-DPMNE and they were also sure that their option would win in this party. Stefkovski said that they did not intend to attack Georgievski and Dimovska, because they considered they were not the actual leaders of the party, in which the alleged leaders are Zmejkovski, Dinevski, Sokolov, and Florovski. Stefkovski pointed out that in an informal discussion with Georgievski they had agreed not to attack each other mutually, but the leader broke the agreement in his interview for VECER. Besides, Stefkovski claimed that, according to the party statute, Georgievski could in no way be elected coordinator of the delegates' group, because Article 30 paragraph 2 of the Statute says that the leader and the deputy of the delegate group are proposed by the president of the party (in this case Georgievski proposed himself, the factionists claimed).

The general impression of your chronicler is that there is total dissatisfaction within the ranks of the VMRO-DPMNE delegates' group, but also beyond it, within the opposition circles, because of the fact that the affair has acquired such dimensions. They are now making rapid attempts to work out how to correct what should have been corrected a long time ago, at the time the people of this party decided to embark on fierce mutual showdowns.

[Box, p 3]

"Clarification of Legal Procedure"

Yesterday Macedonian President Kiro Gligorov received the leaders of the VMRO-DPMNE at their request, that is, the party president, vice president, and general secretary, Ljupco Georgievski, Dosta Dimovska, and Boris Zmejkovski. Their request for a meeting with President Gligorov was based on the explanation that they wanted to inform him about the state security service's attitude toward the opposition and that they wanted to hand over to him documented evidence. According to their claims, it had to do with telephone bugging and operations of the state security service involving a number of VMRO-DPMNE delegates.

At the very beginning President Gligorov emphasized that, according to his constitutional and legal authority, he was in no position to examine the involvement of the state security service in internal party relations. By clearly defined constitutional and legal authority, he expressed his firm belief that questions of this kind had to be raised and dealt with within the framework of the defined legal procedure. In that sense, President Gligorov emphasized that, under the Constitution, the only competent place to discuss information or suspicions about the state security service's attitude toward the VMRO-DPMNE was the Macedonian parliamentary commission for control over the work of the state security service, and that was the appropriate place to discuss documents related to initiating proceedings with the competent bodies—the public prosecutor and the appropriate court. That is the only way to avoid speculation or rumors surrounding such serious charges. It is also the only way to safeguard the basic principles of democracy, respect for the law and management of the authorities in the republic.

President Gligorov also stressed that, in the present preelection period, it was especially important to create a democratic atmosphere and respect for the law as a permanent political orientation in the republic. That will help to reinforce the feeling inside and outside the country of respect for the basic national interests and the maintenance of the integrity of our country, in the face of either internal conflicts or foreign pretensions. The VMRO-DPMNE agreed with this appeal of the president's.

VMRO-DPMNE Leader Explains Party Split

AU0906135494 Skopje NOVA MAKEDONIJA in Macedonian 4 Jun 94 p 4

[Report by E. Sterjevski: "Differentiation on Several Levels"]

[Text] Although it has been 10 days since the unofficial promotion of the Macedonian national democratic faction, the controversy surrounding the division within the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Movement for Macedonian National Unity] is still very much an issue. At first there were rumors that the faction was supported by a significant number of VMRO-DPMNE delegates, by a significant number of members of the Kisela Voda [district in Skopje] Communal Committee, and a part of delegates in the Skopje Assembly. On the other hand, they now say that the actual backing comes from two delegates, Tomislav Stefkovski and Stoile Stojkov, and a smaller number of their affiliates who are not members of the delegates' group. The causes of the division are even more contradictory. While some say personal interests and party careers are at stake, others see the "hand of the authorities" because the authorities are trying to shake the "most national party" exactly during the election period. The interesting thing is that, regardless of the causes, the VMRO-DPMNE members, even former ones, mutually infer each other's cooperation with the state security service.

Here is what the leader of the party Ljupco Georgievski, who has only recently become coordinator of the VMRO-DPMNE delegates' group, said 10 days after the sudden, or expected, "shock."

"It is obvious that the initial idea of splitting the party, which would have bad consequences, was not realized. Although the central committee, the communal committees, and the delegates' group spoke about the division, it was confined to the level of the delegates' group, that is, the level of two delegates. There are some who are affiliated with them, but it is just a number of delegates from Kisela Voda, and a few from the Town Assembly. They are affiliated due to family or neighboring relations, as is the case with the wife of Stoile Stojkov."

[Reporter] What is the essence of the division within the party, that is, among the most exposed representatives?

[Georgievski] From what I can see, it seems that they are ideologically blaming Dosta Dimovska for being a Bulgarian spy, Zmejkovski for being Serbian, and me for terrorism. The essence, first of all, lies in the struggle for career, for personnel changes within the party, which was put as an ultimatum to me, too. However, the struggle has not been motivated simply by personal ambitions. There are other motives as well. This morning I received information that there is total chaos within the state security service, that a new selection is under way with methods of greatest pressure being used. To be more precise, new purges are in progress, as well as hearings of all those from [Interior Minister] Frckovski's and Bogoeski's department who are suspected of giving information to the VMRO-DPMNE. There are mass hearings of nearly all the clerks.

[Reporter] Speaking about the state security service, we should mention the speculation regarding the growing influence of foreign services, particularly the Bulgarian secret service. There are unofficial rumors that the state security service has received information about the greater activities of its "colleague" from Bulgaria by using its exponents in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] in the "image and work" of some public figures. Rumors are spread about the unusual intensification of the activities of the movement for cooperation and friendship between the Republic of Macedonia and the Republic of Bulgaria, whose most faithful members have been assigned concrete tasks.

[Georgievski] It is possible that there is such a reinforced activity of the Bulgarian service. Nevertheless it has nothing to do with the VMRO-DPMNE. Now we practically do not speak with the people from the movement, and this has been the case for a couple of years. We are unjustified associated with some things.

The practice within the VMRO-DPMNE was to solve internal problems leading to division by exclusions. That is how the VMRO-DP and VMRO-fatherland were formed.

The epilogue to the last events was the replacement of Tomislav Stefkovski from the position of coordinator of the VMRO-DPMNE delegates' group. "At this moment no other party measure has been applied except that Stefkovski was removed from the position of coordinator of the delegates' group. Nevertheless, we hear they are making attempts to create some parallel committees, youth organizations in the communes, organize conferences, and so on. That is not possible under the VMRO-DPMNE Statute. If that is true, the party will have to undertake other measures," Georgievski said.

The latter can (but need not) mean that there will be further developments within the party. In any case, as they say in the VMRO-DPMNE leadership, they are waiting for a meeting with President Kiro Gligorov to clarify things and explain certain documents. If it does not happen in 15 days, the public might hear about some new curiosities, this time "black on white."

Daily Views Cause of Split

AU0906134194 Skopje NOVA MAKEDONIJA in Macedonian 4 Jun 94 p 17

[Commentary by Aleksandar Soljakovski: "With the Merits of the Leadership"]

[Text] A party has started disintegrating! One may say that this is nothing odd for a society in transition, for a state in which changes have been moving so fast that, in spite of peace and tranquility, changes, traumas, social segmentations, political fervor, and disappointments are taking place. They are yet to come!

The disintegration of the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Movement for Macedonian National Unity] today, as an affair, is nothing new. It has been the most evident political process going on for three years. It has already broken down into several parties with the same prefix. The leadership of this party was the only one that did not become aware of this process, forecast long ago by Macedonian political analysts! Actually, that is the main reason for this disintegration. Perhaps it is traumatic for the common affiliate, sympathizer, or member of this party. As far as the leadership is concerned, as well as those who led it and created it (and degraded it), there is simply no justification for lies or ignorance. There were (we shall see that later in the text) enough signs, indications, and warnings that advertised the present situation. Ehether they could not or did not want to, the VMRO-DPMNE leadership neither listened to the warnings, nor wanted to see what was coming.

"Spying" Affair

That is why the thesis putting the blame on the State Security Service, which was said to be the main suspect for the misfortune of the party that won the majority of seats in the Assembly at the first multiparty elections in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] simply cannot be true. The plain and obvious reason for this is that if it were correct, the logic would be—if the VMRO-DPMNE had been a party that articulated its political doctrine, united and solid, there could have been no influences that could affect the disintegration of the

party, which had such great chances. However, chances are one thing, political skill is another.

Yes, why is the VMRO-DPMNE actually falling apart?

The roots of this misfortune must be searched for in the past. They are to be found right at the beginning of the formation of this party, in the establishment of its foundations, in the establishment of its political practice.

Since its formation, suspicions have been created that have not been negated so far, nor have there been any attempts to clear them up. Information on who created this party remains obscure, as well as whose idea and intention it was. The ideological founder, Dragan Bogdanovski, is still formally the honorable president of the party, and he hinted that he would discover the details, however nothing has happened so far.

In the euphoria of the election campaign, few people paid attention to details, thus many inconsistencies, unproven claims and promises, and unjustified attacks and insinuations came from this party. Nevertheless, when that political embellishment became regular practice, it was clear that this party was full of contradictions that could only be removed with a wise, hard, and realistic political work.

Instead, some recognizable (and predictable) events took place in the party. Starting from the elimination of Vladimir Golubovski just after the elections, in the style of communist showdowns in the struggle for power, to the present purges—the VMRO-DPMNE staff acted on the principles of "supreme" power and feverishly sticking to the positions held by the leadership.

It is logical that such a party, not open to debate, deprived of the feeling for ideas and reality, will be left without a clear perspective.

Mistake After Mistake

At the root of the disintegration of the party that was close to power (and it alone is to be blamed for not achieving it), there were uncounted elements, events, procedures, initiatives, and excesses. All of them, together, have played their role in today's outcome.

It is symptomatic that the VMRO-DPMNE did not succeed in taking a decisive, consistent, and politically opportune stance on numerous question in the area we refer to as "strategic." It is still not clear why the VMRO-DPMNE opposed the referendum on independence until the very end, offering instead the far less important declaration on independence that had to be adopted by the Assembly. The party's delegates were against the adoption of the Macedonian Constitution until the last moment; they even organized demonstrations in front of the Assembly building, with the aim of blocking its adoption.

Everything continued in the same style. A range of laws that this party had an interest in and proposed were not adopted, and it contributed to this, because the manner of the parliamentary group became that of an opposition, thus their stances and dilemmas lost the crucial significance.

In the domain of the "hottest" question—the dispute with Greece—the parliamentarians of the majority group in the Assembly had a negative approach. Their proposals were limited to support for a "more aggressive diplomacy" and their full contribution was reduced to suspicions that somebody was "selling off Macedonia," that somebody was doing something devious. Regarding the importance of the admission of the Republic of Macedonia to the United Nations, they constantly repeated (without effect) that it was achieved in that awkward name—FYROM. We simply did not hear a single inventive thought that could support their denial and opposition.

It is not known on the basis of what assessments they expected the government and the parties that constitute it to fall soon so that they may come to power, but it is even less explicable that Georgievski left the position of vice president of the presidency, thus losing the opportunity of learning something and being, more or less, near the sources of information that could provide him with more sense in decision making when important issues are at stake. It is also unknown why this party voted for the fall of [former Prime Minister] Kljusev's government in which there were many persons affiliated to the VMRO-DPMNE, after which they missed the opportunity of forming a government in which they would represent the majority.

The present debacle is a result of the numerous staements and deliberations of the party in which it called for rebellion (on 2 August 1991), expressing semitruths and lies whenever it suited somebody in the party, making statements that power could be taken in Macedonia in a democratic way.

Political Semi-People

The responsibility for the fall in the party's ratings falls on the parliamentarians. Through the low level of their discourse and the inarticulate deliberations and excesses, with a lower-class vocabulary, the VMRO-DPMNE parliamentarians were the leading personalities in debasing the reputation of the parliament. The awareness that it is to do with political (and moral) semi-people was overwhelming for many of those who expected much from pluralism. Whether it was it by intent or simply their nature, it will be noted that this party signed and insisted on its verdict itself, in the presence of the public.

And finally, the suspicions about its affiliation to the eastern neighbor were proven by the party itself after its recent support for the Movement for Friendship between Bulgaria and Macedonia. The same party that was strongly criticizing all those who were allegedly affiliated to the northern neighbor is now unreservedly acting under influences that are of a very suspicious nature.

The VMRO-DPMNE is a sad story about the great wish for power based on small possibilities, small efforts, and little reason. Instead of using victory to define a political line that would be compatible with the times and circumstances, the leadership of the party involved itself in the schemes and inheritance of a classical totalitarian and nationalist party (or movement) that, at the moment it had

nothing to support—when the independence of Macedonia and its self consciousness came so quickly and in a relatively painless way—did not find the strength to modify its policy. The election victory, won as a lottery, was wasted the way a poor person spends money that is easily earned.

That is why looking for the reasons for the disintegration is nothing but a bad excuse, a befogging and covering up of the real guilt for the debacle. Fortunately, but it is also a great disappointment, the members and sympathizers of this party know perfectly well where the problem lies. We believe they discovered it a long time ago.

VMRO-DPMNE Faction Analyzed

94P20840A Skopje NOVA MAKEDONIJA in Macedonian 27, 28 May 94

[Article in two installments by Emil Sterjevski: "Is There a Division in the Leadership of the VMRO-DPMNE?"]

[27 May p 4]

[Text]

Democratic Faction in a Democratic Party

A development which has recently been mentioned and become a topic for speculation publicly is that something serious is happening within the ranks of the VMRO-DPMNE [Internal Macedonian Revolutionary Organization—Democratic Party for Macedonian National Unity] and this change is now appearing clearly. Although it has not been officially disclosed, it is certain that a so-called Macedonian [The Former Yugoslav Republic of Macedonia—FYROM] National Democratic Faction has proclaimed itself within the party. As we have learned, this faction includes a large number of parliamentary representatives of the VMRO-DPMNE and is a counterbalance to the party's core leadership (it is said that there are more than 10 representatives attached to the faction). In this faction of the VMRO-DPMNE are representatives Stoile Stojkov, Tomislav Stojanovski, and the coordinator of the party group Tomislav Stefkovski.

The day before yesterday, before the announced beginning of the parliamentary session, a special party meeting was held during which some positions emerged which, for unknown reasons, were not revealed publicly in the announcement. The faction explained the reasons for its declaration primarily as a reaction to the ideological, national, and organizational failures of part of the party's core leadership in the VMRO-DPMNE.

Representative Stoile Stojkov allegedly at one point in the Assembly openly announced the formation of the Macedonian National Democratic Faction of the VMRO-DPMNE. Although the disunity in positions could be "read" in the attacks from the assembly podium, he explained some of the reasons for this step. It was brought to the attention of the core leadership of the VMRO-DPMNE, for example, "the closing of the party to the acceptance of new members, especially those with higher education." Similarly, the following reasons for the (un)revealed existence of the faction were cited: "the characterization of the party as terrorist," the behavior and statements of certain members, as well as those of the VMRO-DPMNE parliamentary by-election candidate in the electoral district 103 in the Skopje-area Kisela Voda opstina, Branislav Sinadinovski, and the simultaneous support of these comments in the name of the VMRO-DPMNE by the general secretary of the party, Boris Zmejkovski. We found out first-hand that the representatives and [local government] councillors of the Macedonian National Democratic Faction of the VMRO-DPMNE "remaining faithful to their constituents and sympathizers, will continue their political commitment to the well-being of the Macedonian state and the Macedonian nation." Stoile Stojkov believes that "We have serious observations concerning the privatization of the party. That a mass party like the VMRO-DPMNE should allow privatization by certain leading members is completely undemocratic."

Among those better acquainted with conditions in "the most Macedonian party," this development is not unexpected. What is interesting is the manner in which the disagreement over the policy of the party's core leadership is expressed, that is, in the formation of a faction within the party and not a secession from it. Anyhow, factions do exist in parties and probably will continue to exist, but it is another thing whether they are revealed or not. Nevertheless, the (non)declaration of the Macedonian National Democratic Faction in the VMRO-DPMNE, which is now a fact, became more visible a few days ago when the VMRO-DPMNE Opstina Committee (OK) in Kisela Voda issued a public communique. In it, the committee broke its silence about some "methods" of activity in the party. The chairman of the OK reacted to "the despotic act committed by VMRO-DPMNE General Secretary Boris Zmejkovski, which has been documented in one of the OK publications in Kisela Voda; this is an act, according to the OK, which is typical only of totalitarian parties." The committee strongly protested to the VMRO-DPMNE leadership and asked (in writing, according to the communique) Zmejkovski to explain to the Macedonian public "why he employed such antidemocratic methods and why he found party policies like those of Aleksandar Dinevski and Ivan Sokolov necessary." The VMRO-DPMNE OK chairman in Kisela Voda characterized that same act as personal retaliation and a demand for an alibi for the unsuccessful by-election in the 103d district, saying "with his pledge to distinguish himself, the unsuitable candidate Branislav Sinadinovski brought the VMRO-DPMNE the slander of terrorism."

It is not accidental that this public disclosure from the VMRO-DPMNE OK in Kisela Voda has appeared at the same time as the declaration of the Macedonian National Democratic Faction; behind this faction there are a large number of representatives and, as we have learned unofficially, a large number of councillors. Namely, in the first multiparty election, Kisela Voda was the largest trump card for the VMRO-DPMNE. From this area came a solid number of representatives. We should recall that it was thanks to the voters in this Skopje-area opstina that Boris

Zmejkovski, Kole Lulovski, Ratka Dimitrova, Tomislav Stefkovski, Nikola Krstevski, and Dosta Dimovska arrived on the political scene.

In any case, if there is discord in the attitudes of party members—we are not speaking of just the representatives—*then* that fact would better highlight the declaration of this faction. The analyst can expand this trend to include the opstina committees in Titov Veles, Bitola, Ohrid, and even now in Kisela Voda. It is not possible to forget the divided party positions about the visit of the party's core leadership to Bulgaria, and especially, the (un)expected presence of Deputy Chairman Dosta Dimovska at the recent support rally in Skopje of the Movement for Cooperation and Friendship between the Republic of Macedonia and the Republic of Bulgaria.

[28 May p 4]

[Text]

Farce About Alleged Espionage

The formal (non)declaration of the so-called "Macedonian National Democratic Faction" in the VMRO-DPMNE was no surprise for those who are better informed about this party, a party that has the most representatives in parliament. Just the fact that one can now speak of any kind of faction within a party is a surprise in itself. Perhaps for the public, the fact that is surprising is that in the faction there is a large number of representatives, among whom there are people who, until yesterday, were considered to be "the most ingrained VMRO types." The reason for such a division within the party, according to the faction, lies in the "dissatisfaction with the ideological, national, and organizational scrambling by the core leadership of the VMRO-DPMNE." Let us be more concrete: It is a question of a disagreement with Chairman Ljupco Georgievski, Deputy Chairman Dosta Dimovska, General Secretary Boris Zmejkovski, and some others among them, like Dragi Arsov or Branislav Sinadinovski, for example.

According to Stoile Stojkov, "A mass party like the VMRO-DPMNE permits itself to be privatized by individual leading members. This is not democratic. Moreover, practically from the convening of parliament, there have been disagreements and differences—and what are they, if not factions? This process began already at the time when Vladimir Golubovski left the party and has continued through the settling of accounts in the opstina committees."

And, in fact, much has happened in the ranks of this numerically strong party. From its ranks emerged first the VMRO-DP [VMRO-Democratic Party], then the VMRO-Fatherland, and the VMRO-United. The formation of these parties became necessary because of divisions or secessions over some party policy of the VMRO-DPMNE. And not just that. Some attacks made from the assembly podium by representatives of this party show that something serious is happening within this party. The culmination probably was the contradictory explanations following the election in the 103d Skopje-area district, which, in effect, divided opinion about the kinds of methods the VMRO-DPMNE would employ to gain power. The latest case is the visit of the core leadership to the Republic of Bulgaria just at the time when the second round of voting in the 103d district was taking place, and the promotion of the movement for Macedonian-Bulgarian friendship and cooperation, at which, according to some party members, Deputy Chairman Dosta Dimovska was suspiciously in attendance. From this, one could hear more audibly talk of some pro-Bulgarian option.

What is perhaps more essential is whether the division in the party leads to reciprocal accusations and suspicions: Which is the pro-Bulgarian orientation, which the pro-Serbian, who is the infiltrator from state security, and so forth. In this context, the departure of Ratka Dimitrova from the coordinating function and her particular distancing from the party is an example. All these coincidences, especially the declaration of the faction, are open to many "interpretations" about what is going on within the party. Thus, Stoile Stojkov, who also serves as chairman of the parliamentary Commission for Control over the State Security Service, has been called a spy by some people in the VMRO-DPMNE leadership, while Tomislav Stefkovski is allegedly an infiltrator from the party with "special tasks." Stoile Stojkov says categorically: "Such a farce about alleged espionage is not only untrue, but also counterproductive. Besides, this is no new tactic; such tactics were used at the time against Vladimir Golubovski and Ratka Dimitrova."

This, however, is not everything that can be heard within the party. For some people, that measure (the faction's declaration) is, in fact, the first step toward movement into the Democratic Party (DP). In the DP, however, this is roundly denied, and it is said that such an allegation is a banana peel intended for the VMRO-DPMNE by state security. Those, again, who have had somewhat different perspectives maintain that it is precisely that faction and its members, now said to number 11 and to include members of the parliamentary staff, who are really closer to the so-called Macedonian left, as can be seen in their attacks in the assembly. On the other hand, the motive is distancing from the stubborn attitudes and the phobia of the leadership headed by Ljupco Georgievski and General Secretary Boris Zmejkovski with respect to the government and, especially, toward the president of the country.

According to Stoile Stojkov, "The latest version of my visit and of the consultations of Tomislav Stefkovski with President Kiro Gligorov is already in the making. General Secretary Boris Zmejkovski maintains that there is an audio tape of the meeting the two of us had with Gligorov. If that were true, I would ask him to release the tape publicly, so it can be known what we talked about at that meeting. And if there were anything to it, then the question arises whether someone is controlling the chief of state, or, on the other hand, whether Zmejkovski is so skillful and installed the listening devices."

Stojkov's faction has reproached the core leadership for its privatization of the party, exclusiveness, and the lack of

respect for the opinions of others. Another VMRO-DPMNE representative, Kole Lulovski, is likewise estranged from the party. "I have always been on the second flank for the party, and now I am on the third. We should recall that my positions are individual; I do not participate in the caucuses of the core leadership, and I am absolutely even more aloof from these revelations. The formation of the faction is new to me—'a special firm' in the VMRO-DPMNE." In any case, he continues, "It would be good to clean up the situation before the elections."

Obviously, the VMRO-DPMNE has some calculating techniques. Meanwhile, another matter comes to mind. The practice in this party has been that whenever it is understood that there is dissent from the leadership, those espousing such views are simply excluded from the party. Whether that was done with the aim of acquiring the impression that there were no people within the party with dissenting views is another story. In any case, the outcomes in the VMRO-DPMNE opstina committees in Bitola, Titov Veles, and Ohrid are in themselves indicative. Out of them, a new party (VMRO-Fatherland) has emerged, and the local leadership in Ohrid, along with the party youth group there, went over to the competition (at least from Ohrid's point of view), that is, the VMRO-DP. Whether this time there will be a deviation from that practice will be a difficult question to answer, although it is known that things are not harmonious. Perhaps the key lies in the distribution of members, who, in any case, have led the VMRO-DPMNE parliamentary group, more precisely in the existence of the Macedonian National Democratic Faction of the VMRO-DPMNE, to act as a serious counterbalance within the party ranks.

For those who want to make forecasts, a nerve-racking party resolution is soon to be settled. But, no one knows how at this time.

Federal

U.S. Said 'Flirting' With Bosnian Muslims

LD1006120794 Belgrade TANJUG in English 1057 GMT 10 Jun 94

["Pool" item]

[Text] Belgrade, June 10 (TANJUG)—The United States continues flirting with the Bosnian Muslims, so that Yugoslavia (Serbia/Montenegro), which is in no way involved in the civil war in the former Yugoslav republic of Bosnia-Herzegovina, has to bear the brunt of it, diplomatic and political circles in Belgrade say on Friday.

This assessment is based on the latest threats by top U.S. officials that if the Bosnian Muslims reject the peace plan, they would be punished by a gradual lifting of sanctions against Yugoslavia and, if the Bosnian Serbs fail to accept the plan, the Bosnian Muslims would in return be exempt from the U.N. arms embargo (in force for all of the former Yugoslavia) and the anti-Yugoslav sanctions tightened.

The United States has for the first time officially admitted that the anti-Yugoslav sanctions were entirely politically motivated rather than caused by Yugoslavia's alleged aggression against Bosnia-Herzegovina, the circles say.

The sanctions aimed to force Yugoslavia to pressure the Bosnian Serbs to renounce their right to self-determination, create a chaos in Serbia and effect a change of authorities there.

After these two intentions had failed, the U.S. engineered a new one—to make the lifting of the sanctions conditional on the peace in Bosnia.

Thus, the U.S. simultaneously threatened to punish either the Bosnian Serbs or Muslims. Belgrade says the parallel threats aim to justify a decision of the House of Representatives to unilaterally exempt the Bosnian Muslims from the U.N. arms sales embargo.

Belgrade describes the decision, which is still to be confirmed by the Senate and can be vetoed by U.S. President Bill Clinton, as political calculations which are hardly applicable in practice, because a final decision to exempt the Muslims from the embargo would simultaneously give others the right to unilaterally lift the anti-Yugoslav sanctions.

The U.S. is fully aware of this, but its obvious intention is to pressure the Bosnian Serbs into accepting the peace plan. It has already estimated that the Serbs are very likely to reject the peace plan, whose concept is much closer to what the Bosnian Muslim government regards as a reasonable solution.

U.S. officials say that in the next six weeks America and its NATO allies will come out with a plan, which incorporates also a map of territorial delineation between the Bosnian Muslim-Croat federation and the Serbs.

Belgrade believes that the maps will be drawn up to the benefit of the Bosnian Muslims and to the Bosnian Serbs' detriment. The Serbs are thus bound to reject it, which would supply an excuse for the sanctions to be prolonged.

If the United States and its closest allies actually wish to bring the Bosnian war to an end and to find a political solution acceptable to all, the first step is definitely the lifting of the sanctions against Yugoslavia.

Jovanovic Interviewed on Balkan Crisis

AU0906125094 Bratislava PRAVDA in Slovak 30 May 94 pp 1, 11

[Interview with Vladislav Jovanovic, minister of foreign affairs of the Federal Republic of Yugoslavia, by Julius Loerincz in Belgrade; date not given: "The War Has Reopened Old Wounds and Opened New Ones"]

[Text] *Originally, 40 minutes were reserved for my meeting with Vladislav Jovanovic, minister of foreign affairs of the Federal Republic of Yugoslavia. But both of us were so absorbed in conversation that it took 25 minutes longer than scheduled. While the interview we publish is fairly extensive, it actually represents only a fraction of the comprehensive debate with this experienced 61-year-old member of the government, who has been active in diplomacy and in the foreign service since 1957.*

[Loerincz] It is being said that the key to solving the crisis in the Yugoslav space lies in Serb-Croat relations. Does the opening of a Yugoslav representative office in Zagreb and of a Croatian representative office in Belgrade herald the coming of better days? Or are those who believe that overly optimistic because far more serious problems in these relations are waiting for a solution?

[Jovanovic] It is the first step toward the normalization of relations. As far as we are concerned, we are interested in this process [of normalization] taking place as fast as possible. We are prepared even now to recognize Croatia in the borders that it controls, on the understanding that the question of the Serbian Krajina would be put aside for the time being, until Zagreb and Knin (main center of the republic Serbian Krajina—editor's note) find in mutual negotiations a final political solution to their relations. This is in keeping with the plan of Cyrus Vance, which emphasizes its own temporary nature and does not prejudice any future political solution. Theoretically, this does not rule out the possibility of the expansion of the recognition of Croatia from the viewpoint of borders in the future. Croatia evidently approaches the question of normalization of relations with us differently and understands it as a means toward its recognition in its former borders as established by the Antifascist Council of National Liberation of Yugoslavia (AVNOJ, that is, the borders as they emerged from the national liberation struggle during World War II). However, for us this would mean defiance of the will of the population of Serbian Krajina. Only they are entitled to decide on their future, not we. For the time being, however, we could develop mutually advantageous relations in other areas, without allowing the disputed Krajina issue to complicate them.

[Loerincz] But at least two partners are needed for such relations to be developed....

[Jovanovic] It seems that Croatia is not prepared for this, as it is trying right from the beginning to politicize the process of normalization of relations with the Krajina. The final political solution must be achieved in the third and final phase of the whole process. Precisely because this phase will be the most important and the most sensitive one, it must be preceded by phase one and phase two: an end to hostility and normalization of economic relations. These two phases must establish good conditions for the successful start and, I hope, also a successful conclusion of the aforementioned third phase.

[Loernicz] Some analysts believe that the issue of Kosovo in the south of Serbia, which is inhabited largely by Albanians, could be tackled in some analogous way. In other words, if Serbian Krajina seceded from Croatia, would Kosovo also secede from Serbia?

[Jovanovic] Kosovo should not be mixed up with the elements of the Yugoslav crisis because it is not a constituent element of this crisis. It is a typical example of the separatism of one ethnic minority and this problem arose many years before the Yugoslav crisis even broke out. In the Yugoslav crisis one has to address the problems bequeathed by the breaking away of four republics (Slovenia, Croatia, Macedonia, and Bosnia-Herzegovina). Krajina is one of these problems—it arose as a result of the one-sided breaking away of Croatia from Yugoslavia and of the denial of the Serbs' constitutional rights in Croatia.

[Loerincz] In your opinion, the problems of Kosovo should thus be dealt with exclusively as an internal Yugoslav issue, so to speak?

[Jovanovic] Kosovo has always been an organic part of Serbia, it is actually the cradle of Serbian statehood, church, and literature. It has never been part of any Albanian state. Therefore, there does not exist any historical or moral reason to consider Kosovo's secession and possible annexation to Albania. Also, there is no method of carrying this out, except by declaring war on the whole Serbian nation....

We respect our Albanian fellow citizens and apply toward them the same equal attitude as in relation to all citizens of Yugoslavia. The Serbian Constitution is based on the civic principle and defines Serbia as a state of equal nations, not as the state of the Serbian nation. When our Albanians rid themselves of the spell of separatism and start exercising the rights they have, they can, within 24 hours, become active in democratic institutions and realize their rights through them.

[Loerincz] You mentioned that the Constitution defines Serbia as a state of citizens, which is surely positive. However, the more than 60,000 Slovaks in Vojvodina, for example, who had settled there 250 years ago and who made their contribution to the creation of Yugoslavia, are being confronted with acts of extremists who tell them: "Go back where you came from."

[Jovanovic] What you are saying is the work of extremist right-wing and nationalist groups. These things used to happen, in particular, at the time when the Yugoslav crisis broke out and when the war in the Krajina and in Bosnia had exceptionally dramatic dimensions. Many frustrated and embittered refugees came to Serbia, among whom feelings of revenge and retribution became manifest. They received support also from individuals and groups in Serbia but this was marginal and ran counter to our policy.

The threats you mention, which were addressed not only to Slovaks but also to Hungarians, are absolutely inadmissible and we have taken steps against them. But they need not be generalized. We regard Slovaks as loyal and hard-working people who mean much for the cultural wealth of our community.

[Loerincz] Do you think that the proposal for the partition of Bosnia-Herzegovina, under which the Muslim-Croat federation is to receive 51 percent and Bosnian Serbs 49 percent [of territory], is a good and just solution? Is the coexistence of Serbs, Muslims, and Croats even still possible?

[Jovanovic] You know, the Serbs, Muslims, and Croats come essentially from one nation and speak the same language. We are people of the same blood and have the same merits and the same weaknesses. Unfortunately, the virus of nationalism incited from abroad managed to destroy coexistence in Bosnia-Hercegovina. The fratricidal war has brought new divisions, reopened wounds from the last, far more drastic war, and opened new wounds. Much effort will therefore be needed both in Bosnia-Herzegovina itself and from us beyond its borders in order to create foundations for the renewal of coexistence. We will always remain brothers regardless of past and present fighting there, regardless of how much hatred there is. I believe that foreign interests have caused much evil and are the main reason for there still being no peace in Bosnia-Herzegovina. Forces from outside Europe, in particular, want this continent to be weakened by the prolongation of the crisis and the continuation of sanctions. Let us not forget that while the Serbs in Bosnia supported the plan of the European Union, this plan was rejected by the Muslim side, after it received signals from the Americans, Turkey, and other Islamic countries.

[Loerincz] The leading representative of Bosnian Muslims, Alija Izetbegovic, has repeatedly called for the preservation of Bosnia-Herzegovina as a multinational and multicultural state.

[Jovanovic] Mr. Izetbegovic is a well-known Islamic fundamentalist. In December 1991, still before the war in Bosnia-Herzegovina, he declared on television that he was ready to sacrifice peace for the sake of Bosnia-Herzegovina's independence. Politicians who say things like that are usually taken to a psychiatric ward. But the world did not react at that time. Izetbegovic has now again said something scandalous. Supposedly, the Serbs can never kill as many Muslims as Muslim mothers and fathers will beget. This is

typical fundamentalist thinking and reminds me of Khomeyni, who used to send children into war in the awareness that they would perish.

[Loerincz] What then is the way out of this war? Could a solution lie in the aforementioned partition of Bosnia-Herzegovina in a ratio of 51 to 49?

[Jovanovic] It is not the best solution in all its parts but the Bosnian Serbs have accepted it and I would like to draw attention to the fact that at one time, at the talks on the Invincible aircraft carrier in the Adriatic, it had also been accepted by the Muslims and Croats, Yugoslavia, and the European Union. Personally, I do not think that percentages are the most important thing but, rather, the readiness and goodwill to achieve a reasonable compromise. The Bosnian Serbs have been prepared for it for two years, ever since they offered territory for peace sometime in June or July 1992, which they confirmed in written form to Lord Carrington. The offer, which concerned the exchange of 20 percent of the territory under their control for peace, is still valid today.

[Loerincz] Extensive sanctions against Yugoslavia have been applied for two years now. One of the arguments for their introduction and tightening was that Yugoslavia had its troops in Bosnia-Herzegovina. This turned out not to be true, however. What then is the aim of the sanctions?

[Jovanovic] Germany and the then European Community introduced the sanctions eight months before the war in Bosnia with the aim of forcing the rest of Yugoslavia to dissolve itself. All parts of Yugoslavia were to accept this, establish new states, and request international recognition. This part (Serbia and Montenegro), which represents one-half of former Yugoslavia, did not agree to that. It said: "You cannot deprive us of our homeland. This is our state. True, it has been reduced in size by the others' departure, but it is still our state." It is for this reason that we were punished by sanctions. We made ourselves guilty by refusing to renounce our own country, by not being willing to disintegrate, which was needed, in particular, by Germany.

[Loerincz] After Germany's unification?

[Jovanovic] Yes. It quickly started to carry out its political and economic expansion, particularly in those directions, in which it previously tried to expand by military means. It forced its position on the then European Community. New sanctions, or their expansion and tightening, were then justified by the situation in Bosnia-Herzegovina, for which we are supposedly responsible. Yet it is the coalition of Bosnian Muslims and Croats that bears responsibility for the civil war in Bosnia-Herzegovina. It was this coalition that violated the constitution of this republic in the parliament of Bosnia-Herzegovina and deprived the Serbs of the right to constitutionality [ustavotvornost] and the right to consensus. The referendum that took place on the issue of Bosnia-Herzegovina's independence was based on the majority principle, which runs counter to the principle of consensus. This meant the trampling underfoot of the Constitution and of the Serbs' rights. Western countries then very quickly recognized the independence of Bosnia-Herzegovina, although the declaration of independence did not have the support of one-third of the population. That led to civil war, for which it was necessary to find a scapegoat.

[Loerincz] Are you suggesting that the Federal Republic of Yugoslavia has become this scapegoat?

[Jovanovic] Exactly, although it was precisely Yugoslavia that accepted all the four major peace plans for a solution to the situation in Bosnia-Herzegovina. The Bosnian Serbs have accepted three of them, rejecting only the Vance-Owen plan for the cantonization of Bosnia-Herzegovina. Izetbegovic has accepted only one of them, precisely the one that was rejected by the Bosnian Serbs. He apparently did so for tactical reasons.

Croatia had its regular troops in Bosnia-Herzegovina, which were involved in fighting there. But no one called Croatia to account and no one punished it because of this. This is a case of double standards, which are practiced also by Turkey, which finances, arms, and incites Bosnian Muslims, or Iran, which violates the embargo on supplies of weapons to Bosnia-Herzegovina.

[Loerincz] Is a certain one-sidedness on the part of some media, which sees all evil on the Serbian side, not part of the policy of sanctions?

[Jovanovic] The media blockade against the Serbian nation had been organized even before the Yugoslav crisis broke out, by separatists and their foreign helpers, who at that time came mostly from the German-speaking bloc and from the Vatican. They systematically created an inaccurate and extremely biased image of Yugoslavia where, supposedly, democracy is possible only when support is given to the breaking away of some republics. According to this image, Serbia, Montenegro, and the Serbian nation are by their very nature negative, conservative, demagogic, narrow-minded in their ideology, and seeking hegemony over others. Sympathy for Slovenia and Croatia and antipathy for Serbs were being built on this [image]. We underestimated this because we believed that Yugoslavia would exist forever. Following these preparations, the separatists went on the offensive against Yugoslavia at a time when the cold war ended and the Soviet Union fell apart. It was a "blitzkrieg," in which they broke up one country.

[Loerincz] Relations between our states and between Slovaks and Serbs, Montenegrins, and the other Yugoslav nations have a long tradition. They were close and multifaceted already in the 19th century. How do you view the present and prospects of relations between Slovakia and Yugoslavia?

[Jovanovic] This traditional friendship, forged frequently in critical moments of history, lives in our memories and hearts. I am thinking here of both the Czech and the Slovak people. In 1938 my brother, like many others, volunteered to go and defend then Czechoslovakia.

Slovakia is perhaps even closer to us, which is surely true geographically and linguistically. We have similar geostrategic experience. We are Danube nations and have many reasons to develop friendship and cooperation. That is why, immediately after the declaration of Slovakia's independence, we proposed opening an embassy in your country—your embassy in Belgrade operates already. However, we have not yet received your government's agreement. It would be in the interest of our nations and of peace and stability in this part of Europe. It would also be in the interest of greater mutual understanding, for there is not enough of this after everything that has happened in our region.

Vojvodina

'Ethnic Cleansing' of Croats Reported

LD0906212494 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 9 Jun 94

[Text] While Milosevic is still demanding a state for the Serbs in Croatia, he does not even want to know about Croats in Serbia. This is corroborated by news from Sombor [northern Vojvodina province] where a debate was held yesterday evening on the subject of the position and rights of national minorities in the Federal Republic of Yugoslavia [FRY]. Also attending was FRY Human and Minority Rights Minister Margit Savovic.

Asked by Mate Mataric, president of the Sombor branch of the Democratic Alliance of Vojvodina Croats [DSHV], about the status of Croats in Yugoslavia, she replied that Croats cannot even be a national minority in the Serbian-Montenegrin state. According to her, this is because the FRY does not recognize Croatia; and as international law prescribes that the national minority status can only be accorded to peoples with a parent country, Croats in the FRY cannot even be a national minority.

Commenting on the existence of a threat to the Croats in Vojvodina, she said that this is not the case and that all Croats who moved from Yugoslavia did so voluntarily. We would like to add that more than 35,000 Croats were expelled over the past three years from Vojvodina alone, and that the ethnic cleansing of Srem, Banat, and Backa [areas in Vojvodina] continues.

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